



ANNUAL ACTIVITY REPORT 2016

# 2016

## ANNUAL REPORT



**BANKING**  
REGULATION AND SUPERVISION  
AGENCY OF TURKEY  
[www.bddk.org.tr](http://www.bddk.org.tr)



**BANKING**  
REGULATION AND SUPERVISION  
AGENCY OF TURKEY

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*BDDK Annual Report may include partial citations from 2016 Report through references.  
The Report is available at BDDK web site ([www.bddk.org.tr](http://www.bddk.org.tr)) with full contents.*



BANKING REGULATION AND  
SUPERVISION AGENCY  
ANNUAL REPORT

is prepared to inform related authorities and  
the public in line with the principles of  
transparency and accountability.

2016

5

LIST OF TABLES

6

ABBREVIATIONS

10

PRESIDENT'S FOREWORD

14

BOARD MEMBERS AND TOP MANAGEMENT

18

POSITION OF THE AGENCY IN THE NATIONAL ECONOMY

22

BDDK IN 2016 IN FIGURES

44

REGULATION ACTIVITIES

- Enacted Regulations
- Regulations with Preparatory Work in Progress
- Regulations with Studies Completed and Enacted in 2016

26

MISSION, VISION & BASIC VALUES

30

ORGANIZATION CHART

34

BANKING REGULATION AND SUPERVISION BOARD

38

HIGHLIGHTS FROM ACTIVITIES IN 2016

- Compliance with International Regulations
- Use of Internal Methods for Capital Adequacy calculations
- Second Structural Report
- Participation Banking
- Payment Institutions & Electronic Money Institutions

54

SUPERVISION ACTIVITIES

- Financial Structure Supervision
- Information Systems Supervision

62

SURVEILLANCE  
ACTIVITIES

66

ENFORCEMENT  
ACTIVITIES

- Permission and  
Authorization Activities
- Evaluation and  
Enforcement Activities

74

PROTECTION  
OF FINANCIAL  
CONSUMER

94

91

RESEARCH & DEVELOPMENT  
ACTIVITIES

COMMUNICATION WITH  
OTHER ORGANIZATIONS AND  
THE PUBLIC

- Domestic Organizations
- International Organizations
- Press and Public Relations

80

MANAGEMENT INFORMATION  
SYSTEMS

- Data and System Management
- Public Disclosure Activities

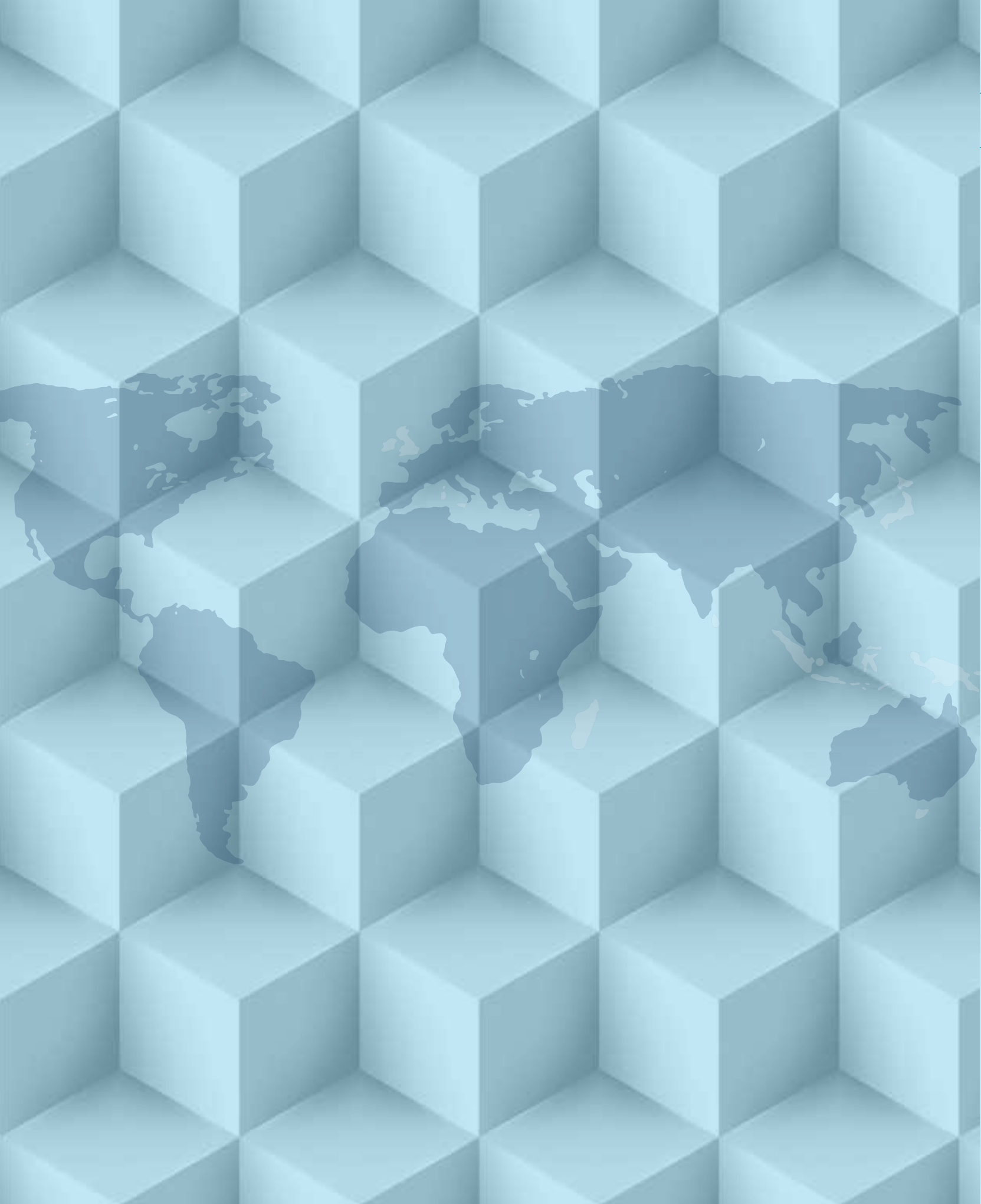
106

ANNEXES

AGENCY RESOURCES

- Human Resources
- Information Resources
- Financial Resources

84



## LIST OF TABLES

<b>Table 1:</b>	Outlook of Board Decisions	34
<b>Table 2:</b>	Classification of Board Resolutions Based on Subject	35
<b>Table 3:</b>	Distribution of Enacted Regulations Based on Type	44
<b>Table 4:</b>	Audit Reports	57
<b>Table 5:</b>	Information Systems Audit Report	59
<b>Table 6:</b>	Bank Oversight Reports	62
<b>Table 7:</b>	Sector Reports	63
<b>Table 8:</b>	Establishment & Operation Permissions and Authorization Procedures	67
<b>Table 9:</b>	Revoke of Operation Permissions and Authorizations	68
<b>Table 10:</b>	Permissions and Authorization Requests Under Evaluation	68
<b>Table 11:</b>	Acquisition of Joint Ventures / Opening Branches / Offices Abroad	70
<b>Table 12:</b>	Banks Established Abroad and Permitted to Open Offices	71
<b>Table 13:</b>	Distribution of Administrative Fines	71
<b>Table 14:</b>	Distribution of Notices & Complaints Submitted to the Agency by Channel	75
<b>Table 15:</b>	Distribution of Notices & Complaints Submitted to the Agency by Subject	76
<b>Table 16:</b>	Results of Surveys Conducted by the Financial Consumer Relations Department	77
<b>Table 17:</b>	Suits Involving the Agency	85
<b>Table 18:</b>	Memorandum of Understanding Signed by Counterpart Foreign Authorities	87
<b>Table 19:</b>	Distribution of Press Releases by Subject	89
<b>Table 20:</b>	Distribution of the Agency's Staff	94
<b>Table 21:</b>	Distribution of Career Staff by Seniority	95
<b>Table 22:</b>	Age Distribution of Staff	95
<b>Table 23:</b>	Number of Staff by Level of Education	96
<b>Table 24:</b>	Distribution of Personnel by Field of Degree	96
<b>Table 25:</b>	Domestic and Overseas Training Activities	97
<b>Table 26:</b>	Training Activities by Subject	97
<b>Table 27:</b>	Distribution of Overseas Training Activities by Organizing Institutions	98
<b>Table 28:</b>	Number of Staff Members Sent for Higher Education Abroad	98
<b>Table 29:</b>	Training Costs	99
<b>Table 30:</b>	Developments in Information Resources	99
<b>Table 31:</b>	Finance Budget and Realization	100
<b>Table 32:</b>	Budget and Expenditure Realization	100
<b>Table 33:</b>	Distribution of Budget Expenditure Items by Spending Units	101
<b>Table 34:</b>	Summary Balance Sheet	102
<b>Table 35:</b>	Summary Table of Income	102
<b>Table 36:</b>	Transfer to General Budget	103



## LIST OF FIGURES

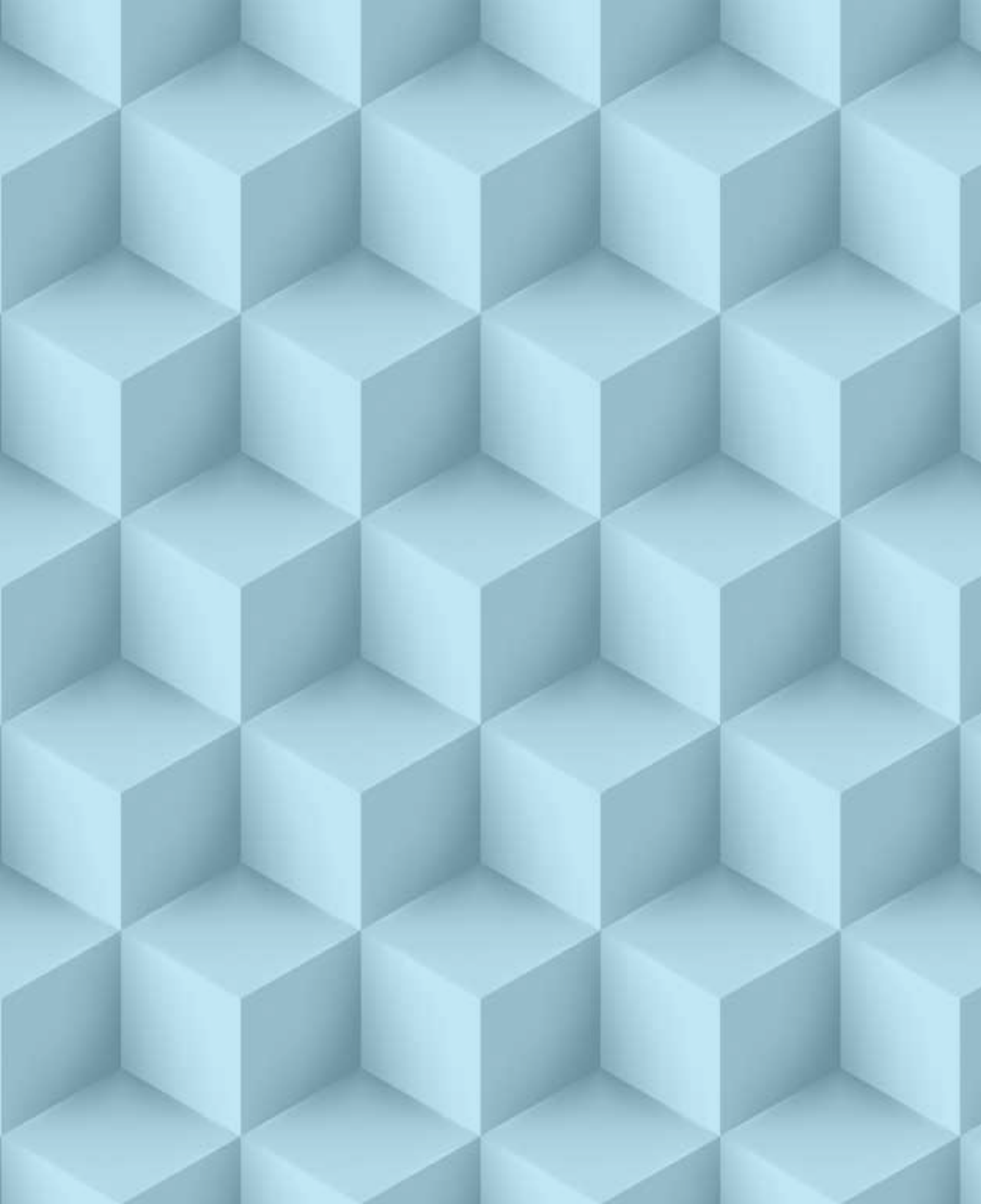
<b>Figure 1:</b>	Banking Regulation and Supervision Agency Presidency Organizational Structure (as of 31/12/2016)	31
<b>Figure 2:</b>	Audit Cycle	55

## ABBREVIATIONS

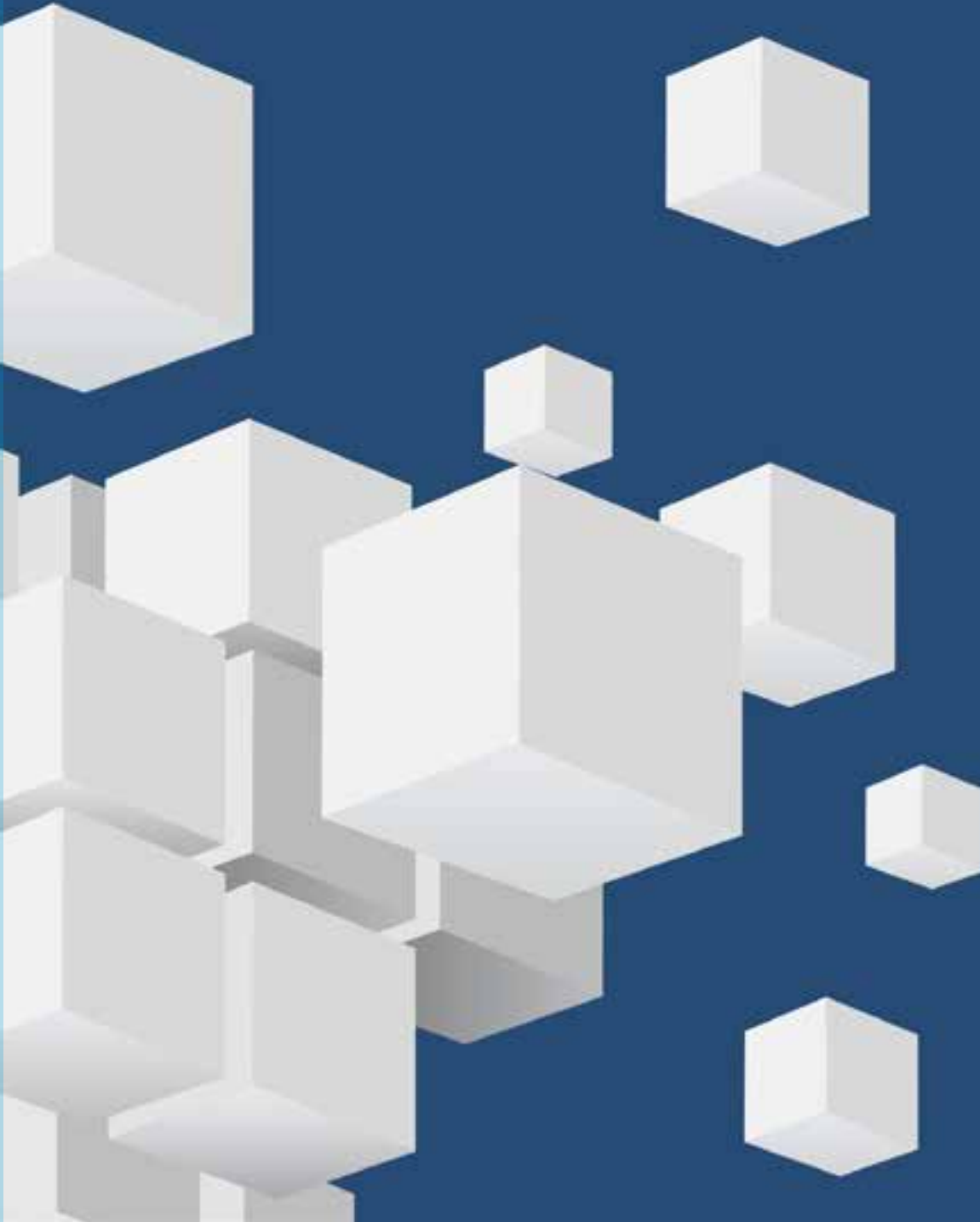
<b>EU</b>	European Union
<b>USA</b>	United States of America
<b>AEG</b>	BCBS Accounting Experts Group
<b>AREAER</b>	Annual Report on Exchange Rate Arrangements and Exchange Rate Restrictions
<b>A.Ş.</b>	Incorporated Company
<b>BADES</b>	Independent Audit Tracking System
<b>BCBS</b>	Basel Committee on Banking Supervision
<b>BCP</b>	Basic Principles of Efficient Audit and Oversight of Banking
<b>BRSA</b>	Banking Regulation and Supervision Agency
<b>NBFI</b>	Non-Bank Financial Institutions
<b>BIS</b>	Bank for International Settlements
<b>BIST</b>	Borsa Istanbul A.Ş.
<b>BIMER</b>	Prime Ministry Center for Communication
<b>BKM</b>	Inter-bank Card Center
<b>BSCEE</b>	Banking Supervisors from Central and Eastern Europe
<b>BVTS</b>	Banking Data Transfer System
<b>CAMELS</b>	Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis
<b>CIMER</b>	Presidency Center for Communication
<b>CMF</b>	OECD Committee on Financial Markets
<b>COBIT</b>	Control Objectives for Information and Related Technology
<b>CRD</b>	EU Capital Requirements Directives
<b>D-SIB</b>	Domestic Systemically Important Bank
<b>WTO</b>	World Trade Organization
<b>EBA</b>	European Banking Authority
<b>eBYS</b>	Electronic Document Management System
<b>ECB</b>	European Central Bank
<b>FDIC</b>	US Federal Deposit Insurance Corporation
<b>FED</b>	US Federal Reserve
<b>FIK</b>	Financial Stability Board
<b>FinTürk</b>	Financial Turkey Map
<b>FSAP</b>	Financial Sector Assessment Program
<b>FSB</b>	Financial Stability Board
<b>FSI</b>	Financial Stability Institute
<b>FSK</b>	Financial Sector Commission
<b>GATS</b>	General Agreement on Trade in Services
<b>GHOS</b>	BCBS Audit Authorities and Central Banks Presidents Group
<b>G-SIB</b>	Global Systemically Important Bank
<b>GDP</b>	Gross Domestic Product
<b>HM</b>	Undersecretariat of Treasury
<b>IFSB</b>	Islamic Financial Services Board
<b>IMF</b>	International Monetary Fund
<b>IRBA</b>	Internal Ratings Based Approach
<b>IDES</b>	Review and Assessment Process



<b>İFM</b>	Istanbul International Finance Center
<b>İÖY</b>	Advanced Measurement Approaches
<b>İSEDES</b>	Internal Capital Adequacy Assessment Process
<b>BSEC</b>	Black Sea Economic Cooperation
<b>KHK</b>	Statutory Decree
<b>KKB</b>	Credit Registry Office
<b>KKTC</b>	Turkish Republic of Northern Cyprus
<b>MASAK</b>	Financial Crimes Investigation Board
<b>DoCF</b>	Degree of Client Focus
<b>OCC</b>	US Office of the Comptroller of the Currency
<b>ODM</b>	Emergency Center
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>ÖNER</b>	Specific Report
<b>PSIFIs</b>	Structural Indicators of Islamic Financial Institutions
<b>POS</b>	Point of Sales
<b>RAI</b>	Risky Area Identification
<b>RCAP</b>	Regulatory Compliance Assessment Program
<b>RG</b>	Official Gazette
<b>RFS</b>	Risk-Focused Supervision
<b>SGK</b>	Social Security Institution
<b>SIFI</b>	Systematically Important Financial Institution
<b>SIG</b>	BCBS Audit and Implementation Group
<b>SM</b>	Standard Method
<b>SOME</b>	Cyber Issues Intervention Team
<b>SPK</b>	Capital Markets Board
<b>SRC</b>	FSB Audit and Regulation Cooperation Committee
<b>SREG</b>	Systemic Risk Evaluation Group
<b>SSM</b>	EU Single Supervision Mechanism
<b>SA</b>	Standard Approach
<b>CAR</b>	Capital Adequacy Ratio
<b>T.A.Ş.</b>	Trade Joint Stock Company
<b>TBB</b>	Banks Association of Turkey
<b>TBMM</b>	Turkish Grand National Assembly
<b>TC</b>	Republic of Turkey
<b>TCMB</b>	Central Bank of the Republic of Turkey
<b>TGY</b>	Basic Indicator Method
<b>LGD</b>	Loss Given Default
<b>TISA</b>	Trade in Services Agreement
<b>TİB</b>	Telecommunication Contact Directorate
<b>TKBB</b>	Participation Banks Association of Turkey
<b>TL</b>	Turkish Lira
<b>SDIF</b>	Savings Deposit Insurance Fund
<b>TO</b>	Default Probability
<b>TT</b>	Default Amount
<b>TTK</b>	Turkish Commercial Code
<b>TÜİK</b>	Turkish Statistics Institute
<b>USOM</b>	National Cyber Issues Intervention Center
<b>YPNGP</b>	Foreign Currency Net General Position
<b>WB</b>	World Bank



# PRESIDENT'S FOREWORD



## PRESIDENT'S FOREWORD



Despite many challenges including the "Coup Attempt on July 15", 2016 marked the growth of the Turkish banking industry which continued to offer services in a seamless and sound manner. Following the coup attempt, the normalization of the markets was fast and deposit owners chose to show their trust in the national economy and the banking system rather than taking their money away or buying foreign currency.

Throughout the year, Turkish banking industry showed a growth of 15.8% in total assets and 16.8% in credit volume to increase the share of loans in the statement. The profits increased by 44.1% to TL 37.5 billion. The risks were manageable. As of the end of the year, capital adequacy ratio was 15.6% and the rate of non-performing receivables was at 3.2%.

This positive outlook of the banking industry is supported by an efficient oversight, audit and regulation framework. The Agency swiftly implemented the regulations required by the emerging needs and amendments in international standards in 2016. In this context, regulations for systematically important banks as well as regulations for compliance with Basel Standards including liquidity coverage ratio, internal methods approach and secondary structural block were significant steps in better evaluating and managing the risks in the banking industry and ensuring a sound and stable system as well as sound and stable banks.

In 2016, Turkish banking industry strongly confirmed its compliance with international standards. I proudly declare that the Regulatory Compliance Assessment Program (RCAP) confirms Turkey in 2016 **as one of the few G-20 countries in full compliance with all Basel Standards.**

In line with these developments, 2016 was a year when Turkish banking industry strongly confirmed its compliance with international standards. I proudly declare that the Regulatory Compliance Assessment Program (RCAP) confirms Turkey in 2016 as one of the few G-20 countries in full compliance with all Basel Standards. Similarly, regulating and supervisory framework applicable for the banking industry was considered equivalent with the EU legislation with the European Commission Implementing Decision 2016/2358 in December 2016. These developments will clearly provide advantages for Turkish banks in raising international funds in terms of access to resources and costs.

The Agency, also being a member of the Financial Stability Committee, duly supports the process of taking the measures required by the macroeconomic conjuncture and continues to work in collaboration and coordination with the relevant institutions and authorities. In this sense, certain measures were taken in the final quarter of 2016 to facilitate access to individual loans to fuel economic growth and banks and real sector companies were supported. The banking industry's loan portfolio, which has shown an average monthly growth of 0.9% in the first 9 months, grew by a monthly average of 2.5% in the final quarter thanks to such measures and economic growth was fueled.

License procedures for financial institutions which we consider as a significant component of an effective regulation and audit framework and a prerequisite for a sound and reliable industry were meticulously handled in 2016. In this sense, an establishment permit was issued for a private deposit bank, an operating permit was issued for a public deposit bank and the operating license of a private participation bank was revoked in 2016. After the permits and revocations for non-bank institutions, the number of institutions subject to the regulation and audit of the Agency as of the end of 2016 reached 287; these include 52 banks, 26 financial leasing companies, 61 factoring companies, 14 financing companies, 119 independent audit companies, and 15 asset management companies. The total number of institutions the Agency is directly or indirectly responsible reaches 504 with the addition of two financial holding companies, 47 foreign bank offices, 129 valuation institutions, one rating institution, one custody and settlement institution, two data exchange institutions, three card system institution offices, 25 payment institutions and seven electronic money institutions-

In 2016, the Agency continued its efforts for collaboration with domestic institutions and foreign equivalent authorities on various issues including regulation, audit and training. With this purpose, memorandums of understanding were signed with Abu Dhabi Financial Services Regulation Authority (FSRA) and Central Bank of India. Memorandums are signed with 36 authorities in 34 countries. We also achieved the membership for "The Accounting and Auditing Organization for Islamic Financial Institutions" (AAOIFI) operating with

the purpose of standardization of finance applications, corporate governance, audit, accounting and reporting for interest-free banking institutions within the frame of a strategic move for Istanbul International Finance Center (IFC). The purpose of the membership is to closely follow up the international standards and share information and collaborate with the institutions of other member countries on a shared platform.

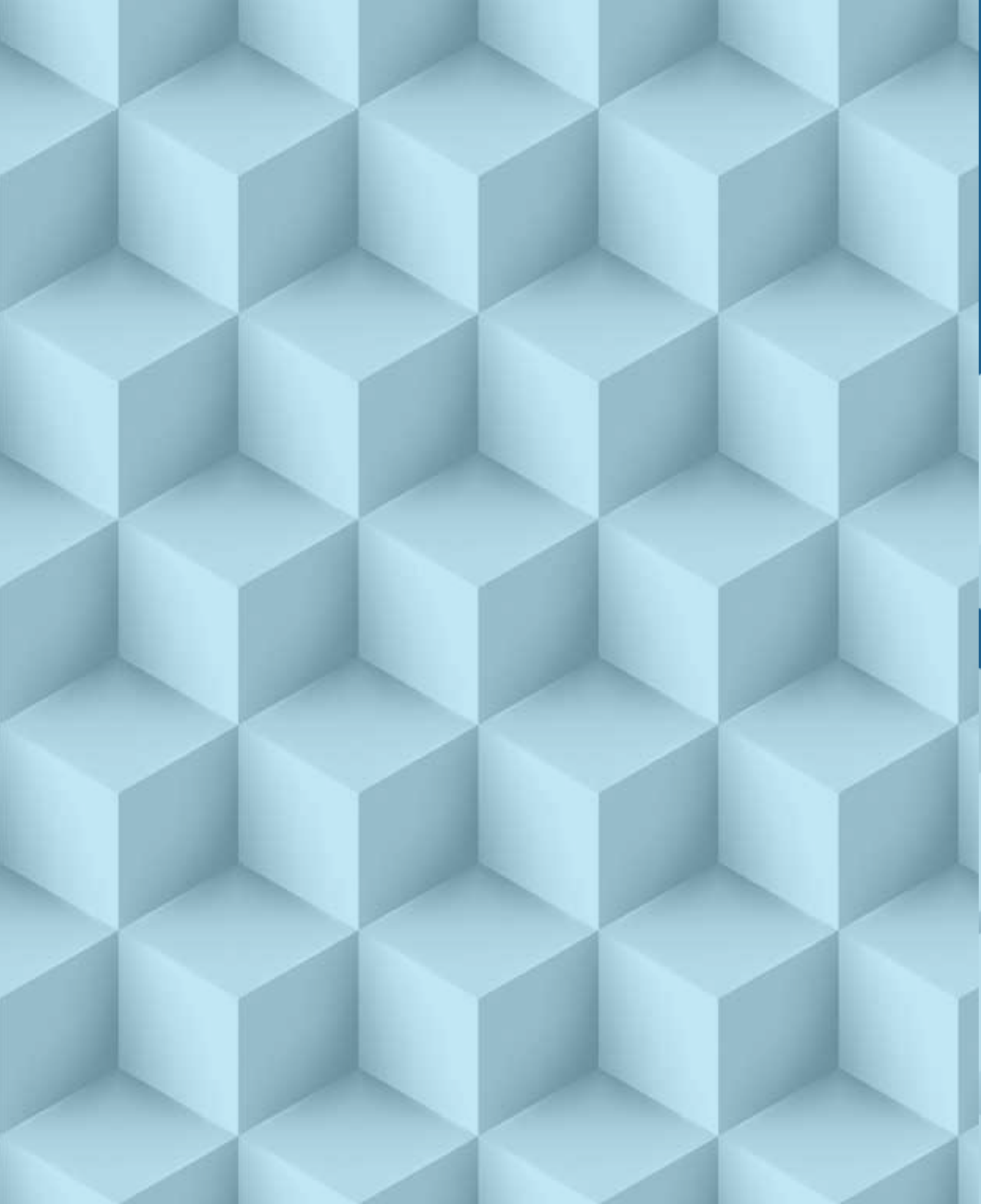
Another important issue for the Agency in 2016 was the transfer of the headquarters to Istanbul in line with the vision of IFC. This increased the information sharing and collaboration with the institutions subject to our oversight and audit as well as our capability to develop swift solutions to problems. The groundbreaking ceremony for the main service building to be built at Istanbul Finance Center at the Asian side of the city was held in October with the attendance of the President. The building will be completed in three years and we will have a service building which meets our requirements and worthy of the Agency's image.

In 2017, we will continue to increase the efficiency of the regulation and audit framework in line with the emerging needs and the amendments in international standards. In addition, our priorities will include improving the diversity of products and services in line with IFC strategy and develop participation banking and interest-free finance system. There is no doubt that all these efforts require the improvement of our human resources in terms of quality and quantity and will be strongly supported with policies and implementations for improving our corporate capacity.

We submit BDDK 2016 Annual Report as a requirement of transparency and accountability and extend my thanks to my colleagues for their efforts.

**Mehmet Ali AKBEN**

President



# BOARD MEMBERS AND TOP MANAGEMENT





## BOARD

İrfan  
ÇEVİK

Muhiddin  
GÜLAL

Mustafa  
KORHAN

Olcay  
TURAN



Mehmet Ali  
AKBEN  
President



## VICE PRESIDENTS

M. Mustafa  
CERİT

Aziz  
TURHAN

Yakup  
ASARKAYA

M. İrfan  
KURT

Muhammet Salih  
AĞAN



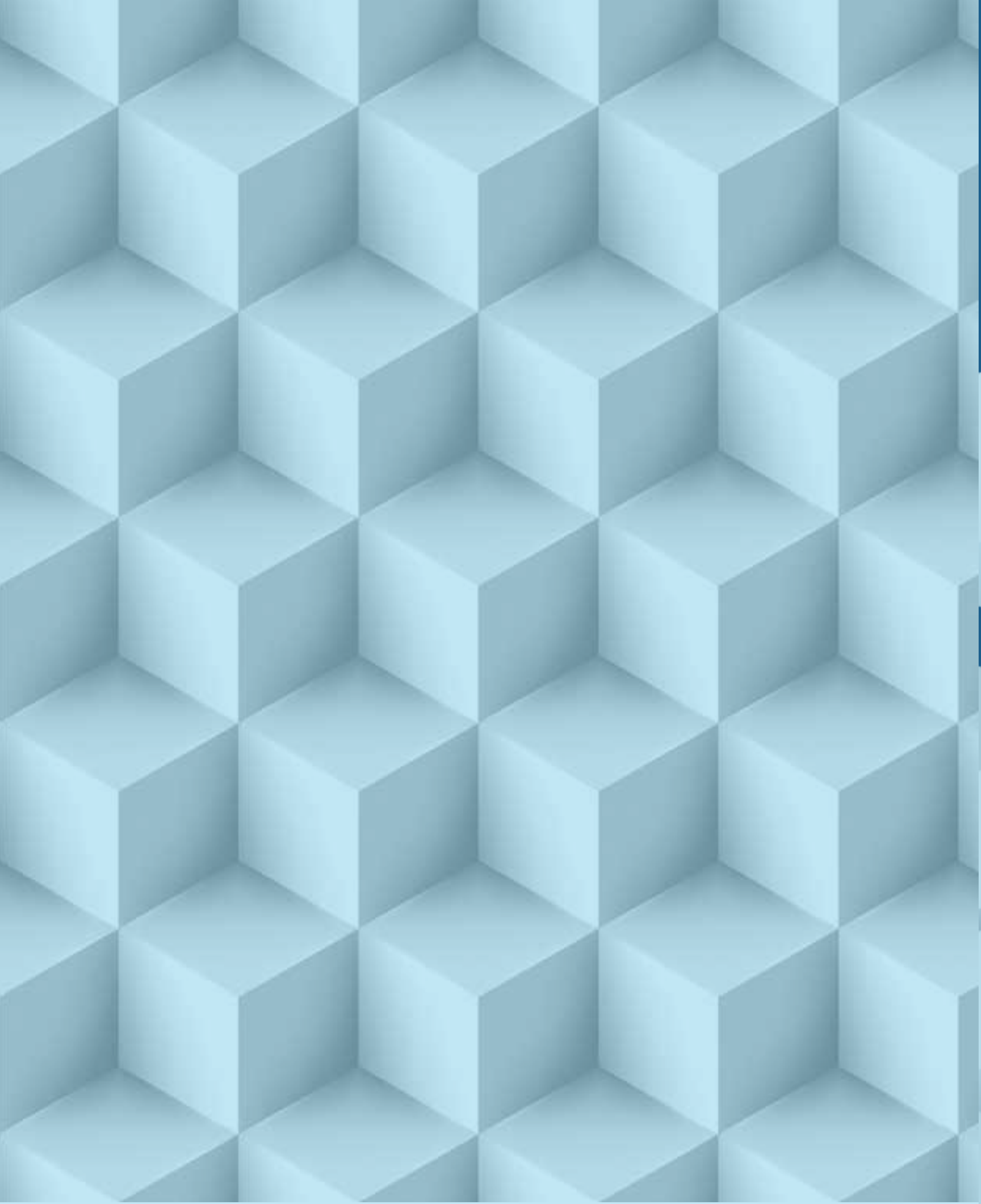
- Department of Information Systems Compliance
- Department of Data and System Management

- Department of Enforcement I
- Department of Enforcement II
- Department of Enforcement III
- Department of Enforcement IV
- Department of Enforcement V

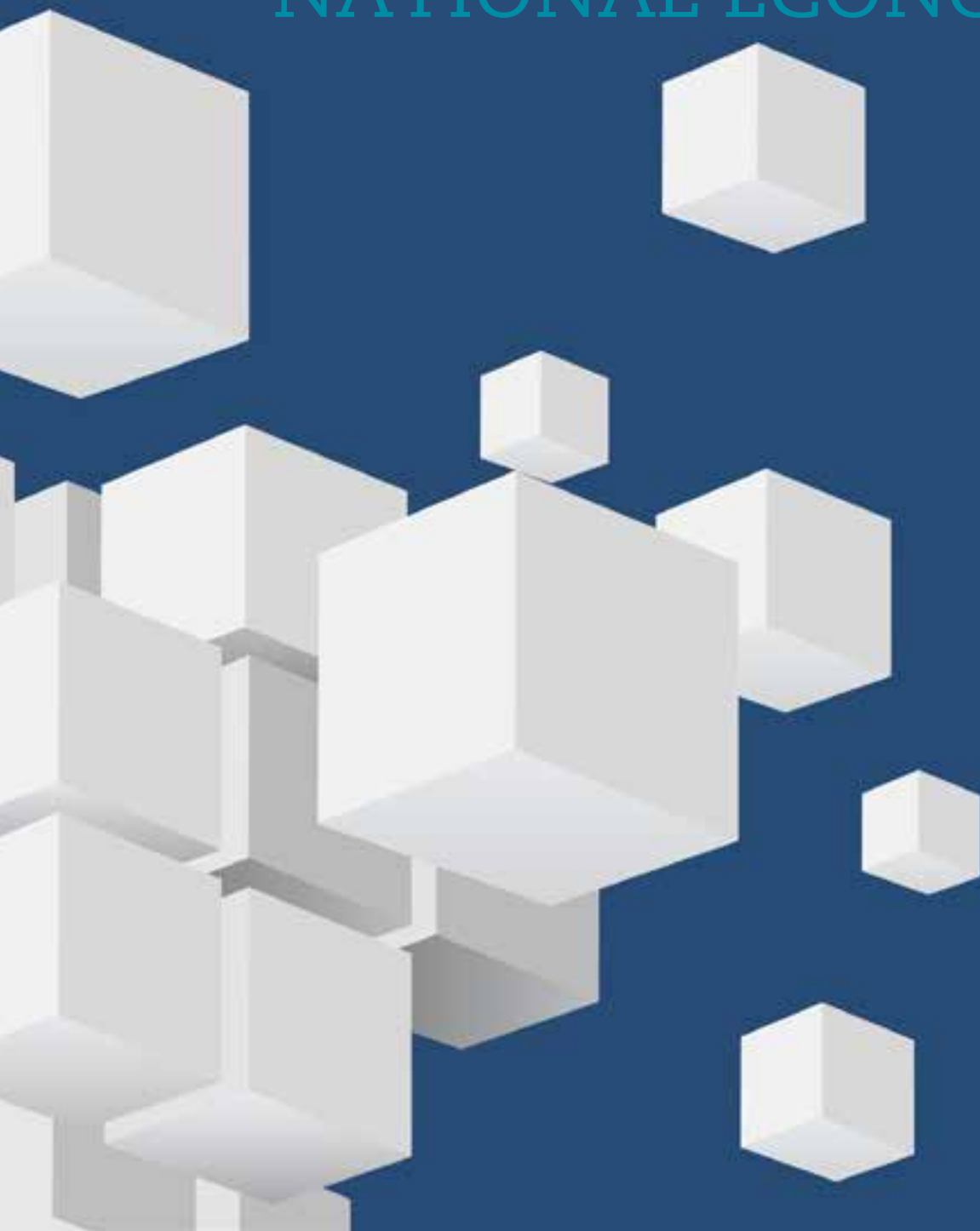
- Department of Regulation
- Department of Financial Consumer Relations

- Department of Audit IV
- Department of Economic Research
- Department of Strategy Development
- Department of Corporate Communications & External Affairs
- Department of Support Services
  - Directorate of Board Affairs and Resolution
  - Directorate of Human Resources
  - Directorate of Training
  - Directorate of Financial Affairs
  - Directorate of Administrative Affairs

- Department of Audit I
- Department of Audit II
- Department of Audit III
- Department of Risk Management



# POSITION OF THE AGENCY IN THE NATIONAL ECONOMY



## POSITION OF THE AGENCY IN THE NATIONAL ECONOMY

BDDK is responsible for regulation and audit of 69.2% of the financial sector as of the end of 2016 and the Agency ensures the security of the industry and increases the efficiency of finance services through proper and efficient management of finance markets.

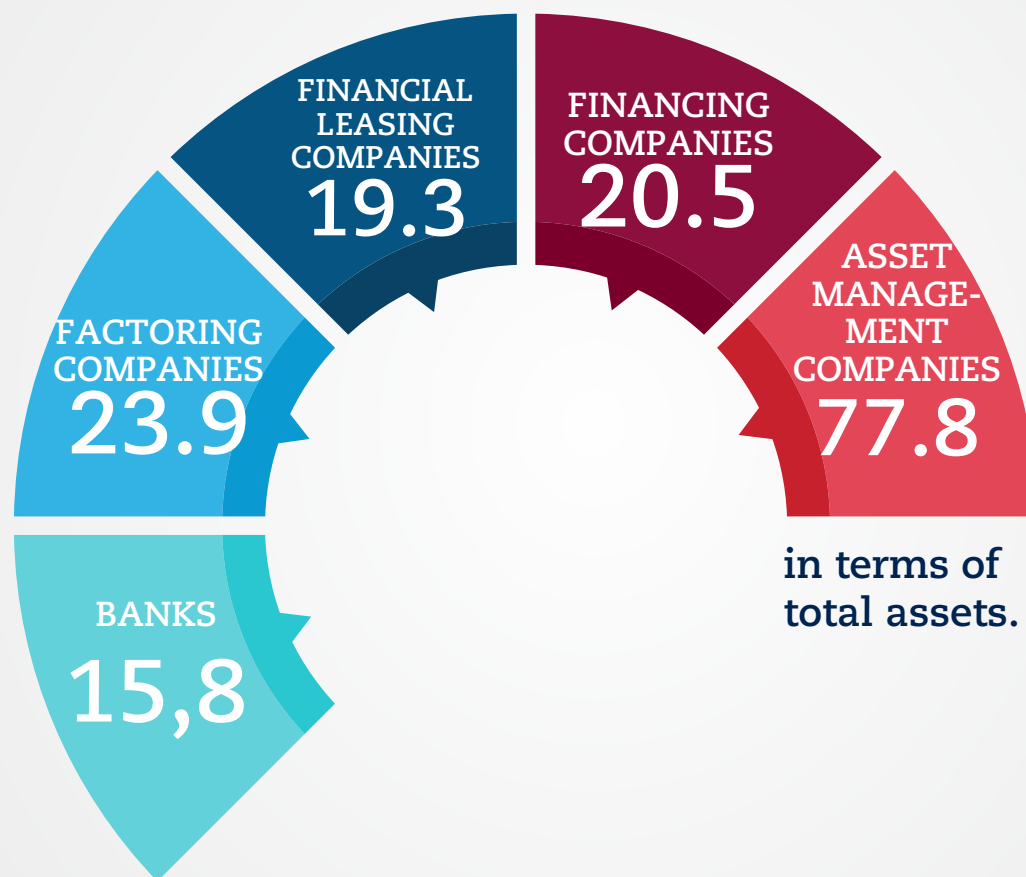
The finance industry directs household savings to investments, shapes the finance as the transfer channel for monetary policies, adds to the efficiency of payment systems and international trade and is of critical importance for the economy. As of the end of 2016, total assets of the Turkish finance industry is TL 4.1 trillion. In this year, total assets of the finance industry have reached 1.6 times of the GDP.

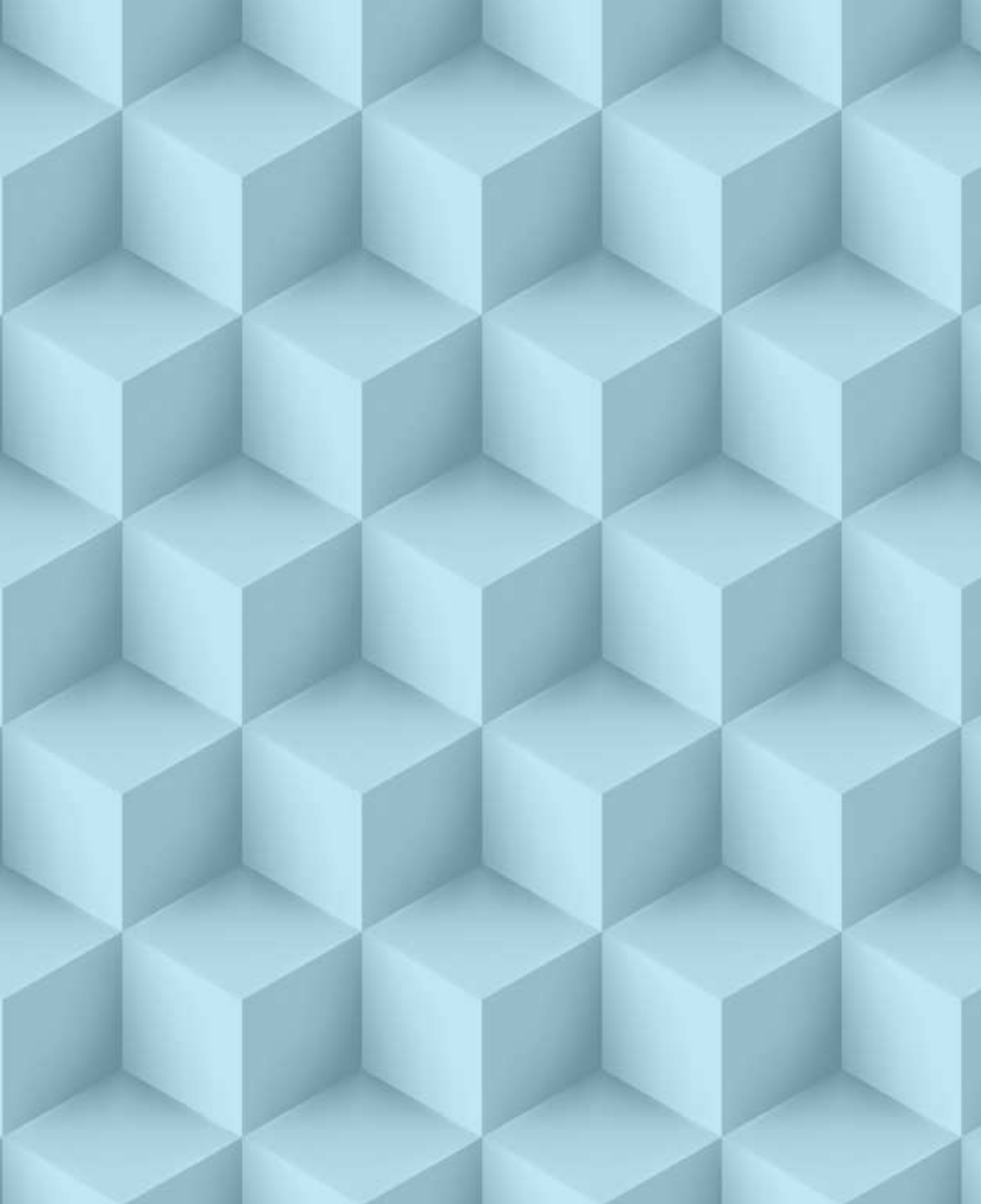
The financial markets have steadily improved in Turkey but the largest share of the total assets in the finance industry are still owned by the banks. In 2016, the share of the Turkish banking industry in the finance system is 66.4%. BDDK is responsible for regulation and audit of 69.2% of the financial sector as of the end of 2016 and the Agency ensures the security of the industry and increases the efficiency of finance services through proper and efficient management of finance markets. The Agency's basic responsibilities are ensuring financial stability, improving the industry, supporting the audit, implementation and regulation framework, protecting the rights and benefits of deposit owners and improving the corporate capacity. The banking industry is important in mobilizing the savings

and funding the real sector and households. Therefore, close monitoring of the banking industry and direct intervention where necessary are of critical importance for effective use of loans and financial efficiency.

In 2016, the finance industry shares of banks, financial leasing companies, factoring companies, consumer financing companies and asset management companies subject to oversight and audit by the Agency are 66.4%, 1.2%, 0.8%, 0.8% and 0.1% respectively. In the last year the growth in terms of total assets was 15.8% for banks, 19.3% for financial leasing companies, 23.9% for factoring companies, 20.5% for financing companies and 77.8% for asset management companies.

Net growth for the organizations is;



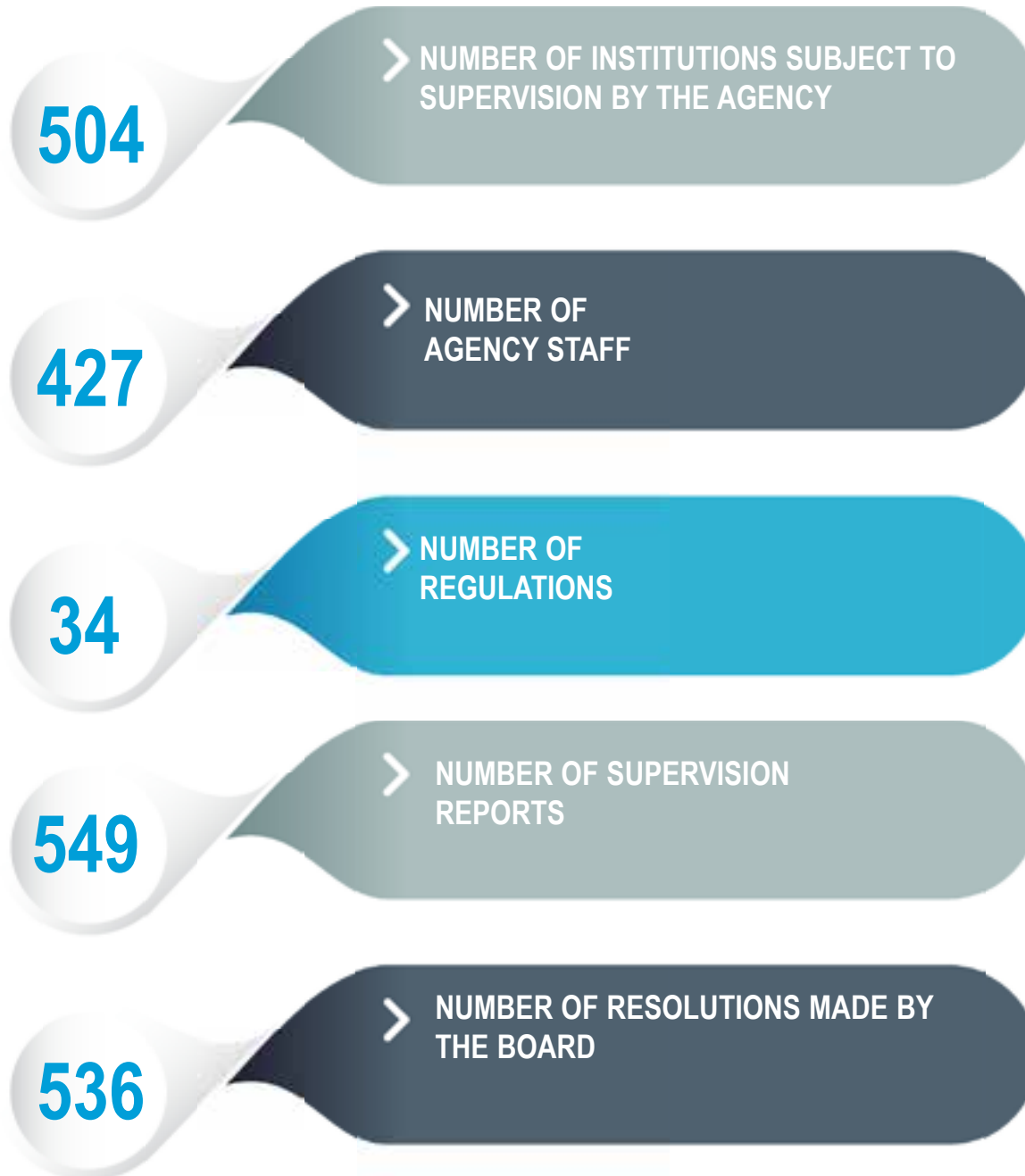




# BDDK IN 2016 IN FIGURES



## BDDK IN 2016 IN FIGURES



**129**

> NUMBER OF SECTOR OVERSIGHT  
REPORTS

**1,458**

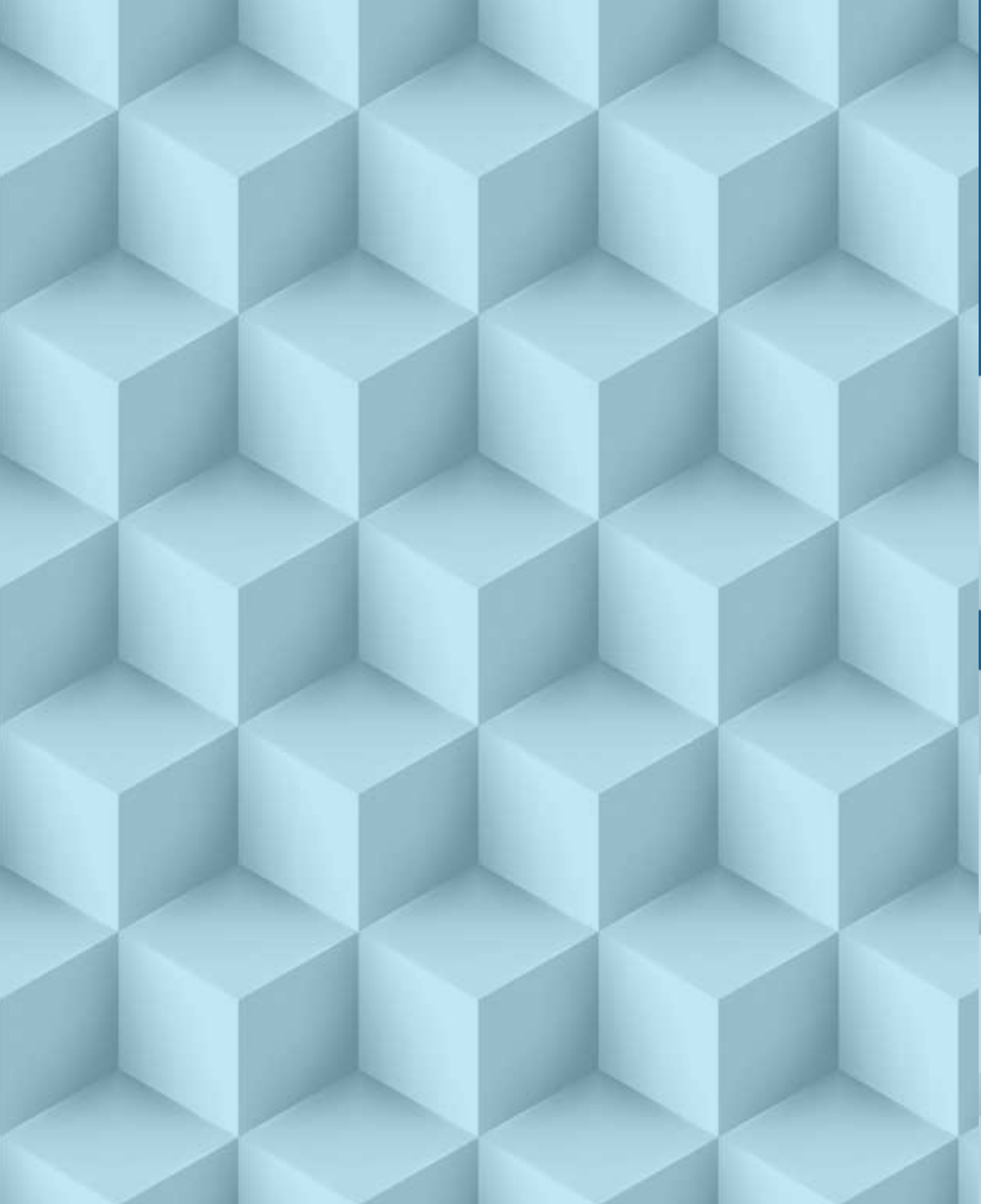
> NUMBER OF BANK OVERSIGHT  
REPORTS

**31,917**

> NUMBER OF DENUNCIATIONS AND  
COMPLAINTS EVALUATED BY THE  
AGENCY

**21,638**

> NUMBER OF EXTERNAL  
OFFICIAL LETTERS



# MISSION, VISION & BASIC VALUES



## MISSION, VISION & BASIC VALUES

### Agency's Mission

The Agency's mission is to ensure that the institutions subject to its supervision perform their operations in a safe and sound manner in line with the Banking Law and other applicable regulations, that the credit system functions efficiently, that the rights and interests of savers are safeguarded, and thus contribute to the development of financial markets as well as financial stability.

### Agency's Vision

The Agency's vision is to become a model authority that undertakes regulation, supervision and risk management functions for financial markets, institutions and consumers at international standards, in line with national needs and requirements.

## Basic Values

**Prudence:** The Agency shall use the regulation and policy instruments available to it in compliance with cyclical developments in the economy, such that the institutions subject to supervision by the Agency can safely and soundly perform their operations, and shall take measures as necessary.

**Independence:** The Agency does not receive instructions from any authority in performing its duties and exercising its powers, freely uses the resources allocated thereto in line with the principles and procedures stipulated in its budget, and its decisions are not subject to expediency control.

**Reliability:** The Agency's activities shall be performed by observing public interest, in an equal, fair, consistent and predictable manner for all related parties, while ensuring transparency and accountability.

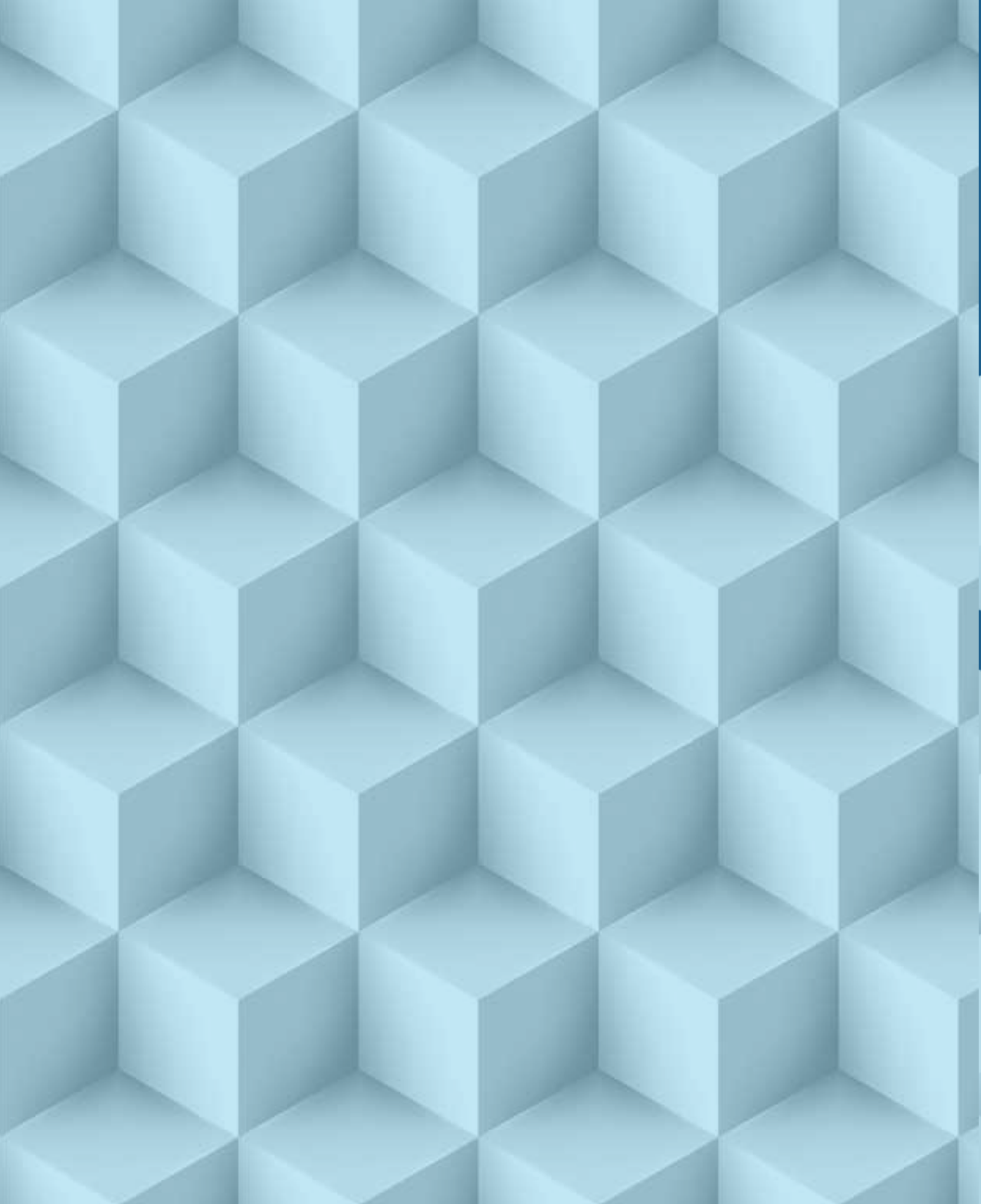
**Participation:** The Agency shall execute its activities in active cooperation and collaboration with related national and international agencies and organizations, and by taking into consideration the comments and suggestions of these organizations.

**Efficiency:** The Agency shall perform its activities in a timely manner, on the basis of benefit/cost approach, with focus on risk and quality.

**Competence:** The Agency shall be equipped with internationally recognized standards on professional qualifications, knowledge and skills to perform its activities.

**Responsiveness:** The Agency shall respond to the requests, suggestions and complaints, which have to be addressed pursuant to the applicable legislation, in a timely and efficient manner, and take due regulatory and supervisory action as necessary.






# ORGANIZATION CHART



## ORGANIZATION CHART

The Agency's organizational structure is revised and its service units are reorganized in response to evolving conditions and emerging needs.



The Agency was established as a public legal entity with administrative and financial authority by the annulled Banks Law No. 4389 published in the Official Gazette 23734 dated 23 June 1999, in line with the policies for increasing the efficiency of supervision and oversight system and establishing independent decision-making mechanisms in financial markets. It was further strengthened in terms of independence, efficiency, and capacity through the Banking Law No. 5411, published in the repeated issue of Official Gazette 25983 dated 01 November 2005.

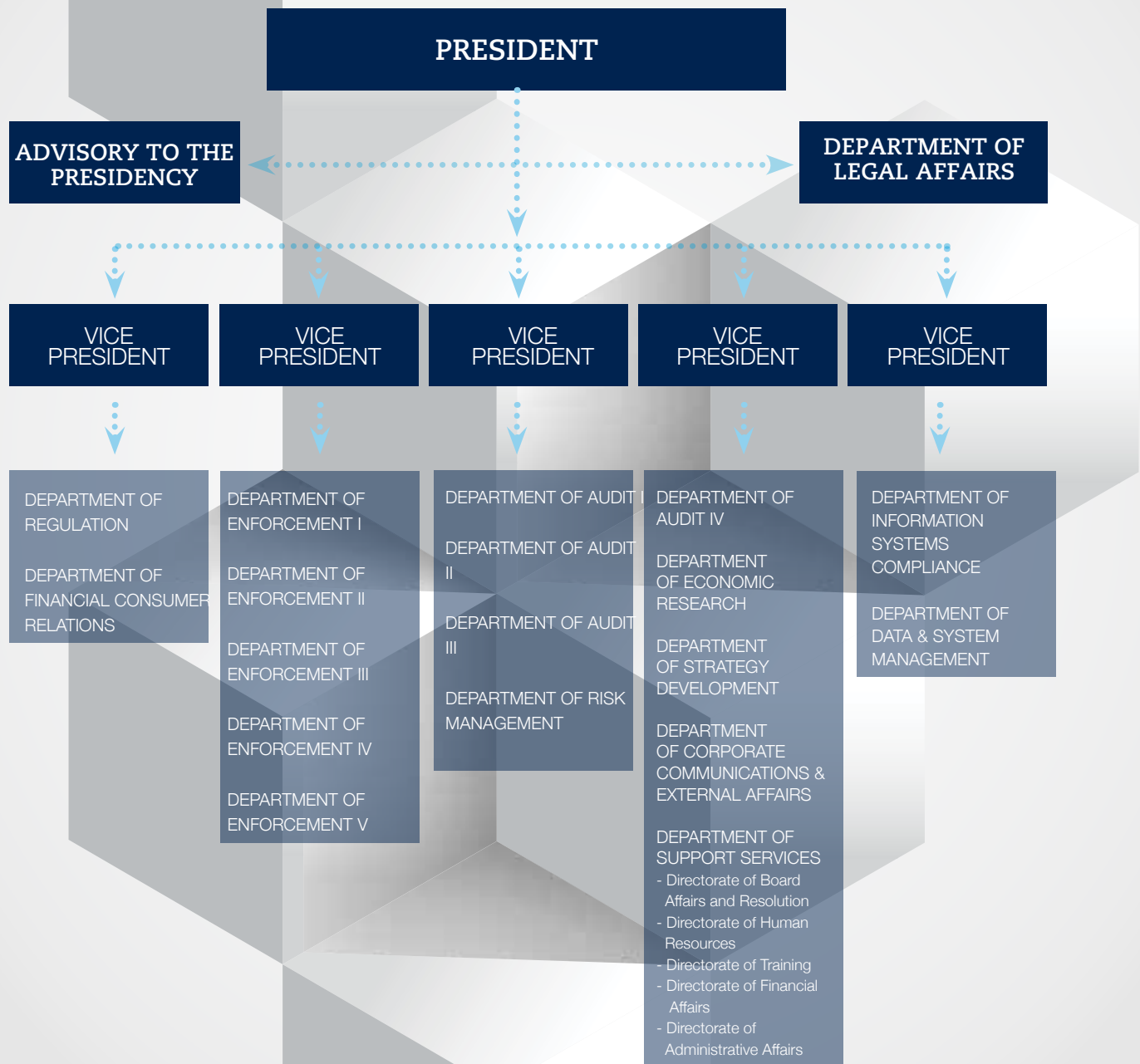
The existing organizational structure of the Agency is governed by Banking Law and the Regulation on the Organization of Banking Regulation and Supervision Agency, which has been put into force through Council of Ministers Decree 2014/5885 published in the Official Gazette 28943 dated 16 March 2014.

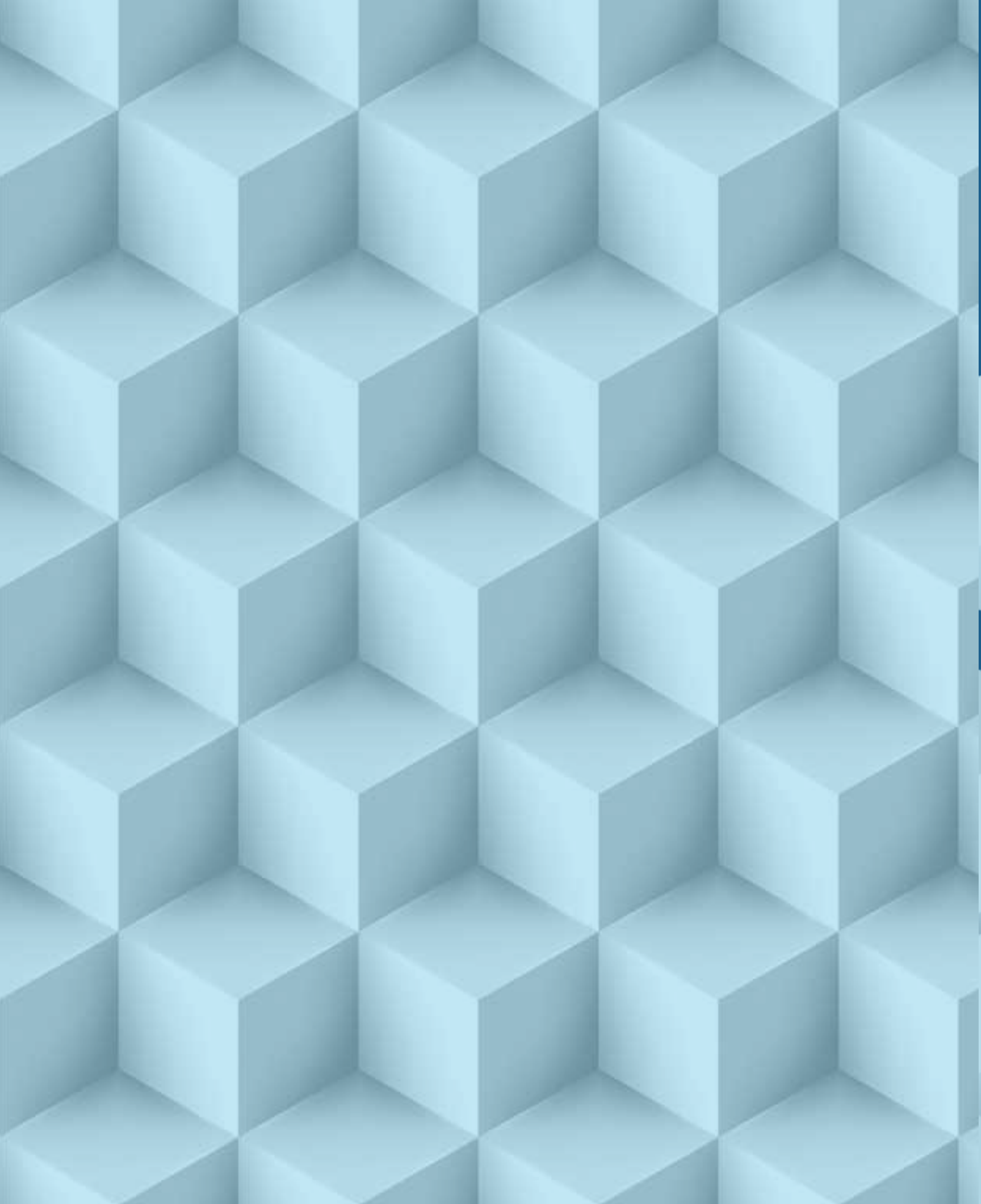
The Agency consists of the Banking Regulation and Supervision Board (Board) including the President and the members and the Presidency Organization. The Chairman of the Board is the President of the Agency. Presidency Organization consists of the president, five vice presidents and service units. Service units of the Agency consist of maximum twenty main service, advisory and auxiliary service units organized as departments. Maximum fifteen presidency advisors may be appointed in areas such as legal, press and public relations, management and finance.

The Agency's organizational structure is revised and its service units are reorganized in response to evolving conditions and emerging needs. These amendments were made to establish the infrastructure which will provide the administrative capacity required for the expanded roles and liabilities of the Agency and the emerging needs and is based on a horizontal organization required by contemporary professional expertise.

As of the end of 2016, the Agency has 19 departments. Departments of Support Services has five directorates dealing with agency affairs and resolutions, human resources, training, financial affairs and administrative affairs. In addition, the audit directorates have audit groups consisting of bank auditors and assistants as well as audit teams dealing with specific institutions. For controlling specific IT or legal issues or when requested and approved by the president, mixed teams are created from the personnel assigned at audit and other directorates for audit, review, survey, projects and/or audit of risk models, review of risk analyses, banking and accounting standards.

Figure 1: Banking Regulation and Supervision Agency Presidency Organizational Structure (as of 31/12/2016)





# BANKING REGULATION AND SUPERVISION BOARD



## BANKING REGULATION AND SUPERVISION BOARD

Banking Regulation and Supervision Board is the decision-making body of the Banking Regulation and Supervision Agency established as per the Banking Law 5411 and other applicable legislation to ensure reliability and stability of the financial markets, efficient functioning of the credit system, development of the finance industry, and protection of the rights and benefits of deposit owners.

The Board convenes at least once a week and as necessary. The agenda of the Board which is chaired by the President or the vice-president in his absence is set by the chairman and sent to the members one day prior to the meeting at the latest. The Board convenes with the presence of minimum five members, and takes decisions with affirmative votes of minimum four members, except for specific cases requiring special quorum as stipulated in the Law. Members cannot cast abstentious votes. In cases where decision quorum cannot be attained and votes are equal in subsequent meetings, the vote of the Chairman determines the decision. Without prejudice to periods stipulated by the Law, Board decisions mature within maximum fifteen days from the meeting date, together with its justifications, rationale for objecting votes and signatures.

In 2016, 54 meetings were held by the Board and 536 decisions were made. 62.7% of all resolutions are on banks.

Among the 536 decisions made in 2016, 62.7% of all resolutions are on banks.

**Table 1: Outlook of Board Decisions**

Subject of Resolution	Year 2015		Year 2016	
	Number	Share %	Number	Share %
Banks	322	65.6	336	62.7
Financial Leasing, Factoring & Financing Companies	57	11.6	52	9.7
Independent Auditor Companies	3	0.6	1	0.2
Valuation/Rating/Support Service Institutions	11	2.2	12	2.2
Asset Management Companies	7	1.4	21	3.9
Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions	13	2.6	31	5.8
Whether or Not To File a Criminal Complaint-Temporary Suspension of Signatory Power/Removal of Suspension	36	7.3	23	4.3
Administrative, Financial and Staff Procedures of the Agency	42	8.6	60	11.2
<b>TOTAL</b>	<b>491</b>	<b>100.0</b>	<b>536</b>	<b>100.0</b>



Multiple issues may be addressed in Board decisions. For instance, a decision on imposing administrative sanctions on a practice violating the legislation may at the same time specify whether any amendment is needed in the legislation on the same subject. Likewise, a decision may both rule for filing a criminal complaint and temporarily suspending the signatory powers of the related bank officials. To prevent complications regarding the classification of decisions, no decision was associated with multiple issues.

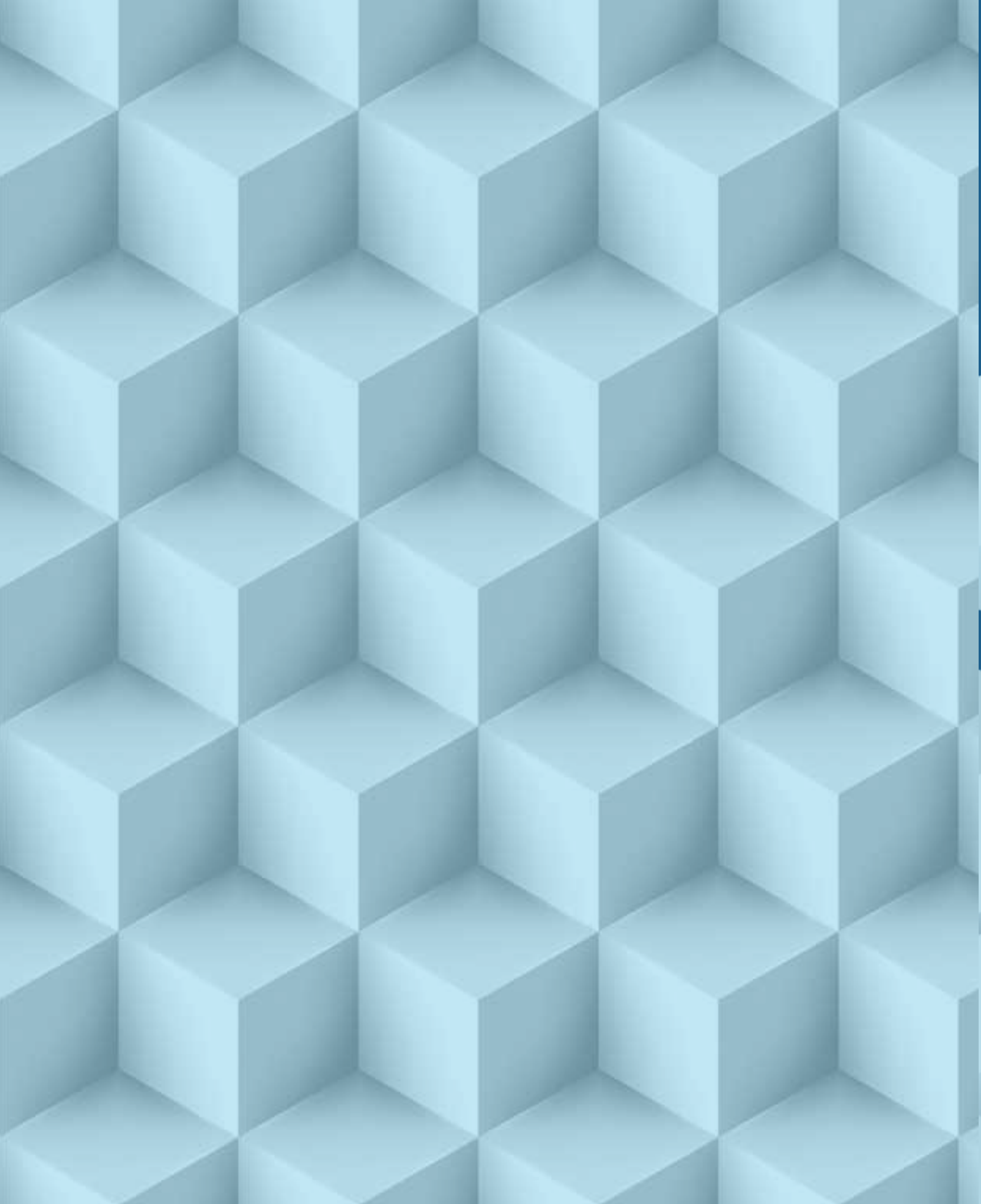
In 2016, the Board decisions were classified as 49.3% on administrative fines, 16.8% on permits, and 14.2% on regulation procedures.

On the other hand, the figures in the table are inclusive of all issues referenced to the Board, whether or not affirmative. For example, 90 board decisions made by the Board in 2016 on permits refer to all decisions, whether or not affirmative.

The Board decisions were classified as 49.3% on administrative fines, 16.8% on permits, and 14.2% on regulation procedures.

**Table 2: Classification of Board Resolutions Based on Subject**

Subject of Resolution	Year 2015		Year 2016	
	Number	Share %	Number	Share %
Regulatory Actions	71	14.5	76	14.2
Permit Procedures	85	17.3	90	16.8
Administrative Fines	222	45.2	264	49.3
Cancellation of Operating License or Authorization	11	2.2	9	1.7
Filing /Not Filing a Criminal Complaint- Temporary Suspension of Signatory Power/Removal of Suspension	36	7.3	23	4.3
Administrative, Financial and Staff Procedures of the Agency	39	7.9	60	11.2
Transfer to TMSF	1	0.2	-	-
Other	26	5.3	14	2.6
<b>TOTAL</b>	<b>491</b>	<b>100.0</b>	<b>536</b>	<b>100.0</b>



# HIGHLIGHTS FROM ACTIVITIES



## HIGHLIGHTS FROM ACTIVITIES

### Compliance with International Standards and Regulations

#### Financial Sector Assessment Program (FSAP)

The efforts on Financial Sector Assessment Program (FSAP) implemented by International Monetary Fund (IMF) and World Bank was one of the most important items of the Agency's agenda in the first half of 2016. FSAP reviews were implemented by IMF and World Bank in collaboration based on the assurances given by the country for G20 membership and handled by BDDK, TCMB, SPK, Insurance General Directorate and MASAK with the coordination of the Undersecretariat of Treasury.

After a review, an extensive report on Turkey's finance industry will be shared with the public. Within the frame of membership to FSB (Financial Stability Board) in 2009, the country will be subject to FSAP process once in every five years like other members. 2016 is the third FSAP process after 2006 and 2011. FSAP assessments are monitored by international markets in determining the countries' investment ratings.

Current implementations of regulatory authorities are compared to Basel Committee's "Basic Principles of Efficient Audit and Oversight of Banking" (BCP) and rated as Compliant (C), Largely Compliant (LC), Materially Noncompliant (MNC) or (Noncompliant). Proposals are made on noncompliant issues and measures are expected to be taken to support BCPs.

The activities in this frame were started at the end of 2015 by sending the Internal Evaluation Draft by FSAP Council and continued with;

- Sending the complementary survey,
- Meeting with the FSAP Council on the scope,
- Sending the internal evaluation and other relevant documents prepared by the Agency to the FSAP Council,
- Sending the complementary survey to the Council

in the first quarter of 2016. The Committee worked in Turkey in May and April within the scope of the ongoing process. Following the meetings and reviews, the Agency submitted its opinion on BCP Evaluation Report to the Undersecretariat of Treasury in September 2016.

FSAP field works were performed in collaboration with the Committee and requests were met and questions were responded regarding the discussed issues.

In FSAP 2016 Report, the banking supervision procedures of the Agency were rated as Compliant (C) with 15 principles.

FSAP Committee stated that BCP and the methods have changed since FSAP and reviews and evaluations are now more focused on practical issues. Most of the meetings were mostly focused on the audits performed by the Agency, contents of the audits and measures taken.

FSAP 2016 Report evaluates the Agency's banking audit practices as,

- Compliant for (C) 15 principles,
  - Largely Compliant (LC) for nine principles,
  - Materially Noncompliant (MNC) for five principles
- in terms of distribution.

The number of principles rated as C increased from six in FSAP 2011 to 15 in FSAP 2016.

Six of the eight principles rated as MNC in FSAP 2011 were improved as per FSAP 2016.

Six principles rated as LC in FSAP 2011 and one new principle were rated as MNC in FSAP 2016.

### ▶ Regulatory Consistency Assessment Programme (RCAP)

As of the final quarter of 2015, Turkey entered the Regulatory Consistency Assessment Program (RCAP) implemented by Basel Committee on Banking Supervision (BCBS) to promote member countries to implement Basel Standards in the national legislation in a timely manner and ensure the consistency and integrity of the standards. The process ended with the issue of the evaluation report in March 2016. As a result of this review, the banking regulations of Turkey were considered as fully-compliant with international Basel Standards. In this sense, Turkey is among the few G-20 countries considered as fully compliant with all standards.

Within the scope of RCAP, final versions of 14 Good Application Guides were in effect as of 31/03/2016. Use of internal methods developed by banks for capital adequacy calculations is subject to the approval of the Agency and therefore, the following items prepared to clearly define the application process and the rules applicable for banks

- Guidelines for Application Procedures for Internal Evaluation Based Approaches and Advanced Measurement Approach (Guideline),
  - Guidelines for Evaluation, Validation and Corporate Management of Internal Evaluation Based Approaches and Advanced Measurement Approach (Guideline)
- were finalized.

The banking regulations of Turkey were considered as fully-compliant with international Basel Standards. In this sense, Turkey is among the few G-20 countries considered as fully compliant with all standards.

### ▶ Internal Capital Adequacy Assessment Process (ISEDES) Reviews

Internal Capital Adequacy Assessment Process (ISEDES) included in Basel Capital Consensus Structural Block II is a detailed evaluation process regarding the bank's risks arising from its internal activities. With this process, each bank detects the capital it needs or will need in the future due to its risks and submits the ISEDES reports to the Agency as of the end of the year. In this frame, 2015 end-of-year ISEDES reports prepared and submitted to the Agency by Turkish banks were reviewed in terms of contents and format by the Risk Management Directorate.

### ▶ Compliance with EU Legislation

With the European Union Implementing Decision 2016/2358 dated 20.12.2016, Turkey's banking industry regulation and supervision framework is deemed equivalent with the EU legislation from the perspective of EU Regulation 575/2013 on Credit Institutions and Intermediary Firms. With this decision;

- High risk factors implemented by EU banks to receivables from the Turkish government, Turkish Republic Central Bank and Turkish banks will be reduced to those implemented to equivalent countries.
- Banks with main partners from EU countries could not benefit from the advantages regarding risk weights due to Turkey's not being among the equivalent countries. After this decision, this will change and the capital costs of these banks for owning an affiliate in Turkey will decrease.
- The risk factors applicable to the investments of our banks operating in the EU will decrease and this will be an advantage for these banks in terms of capital costs.

As a result of this decision, the banks will benefit from various advantages regarding the funds provided from EU countries in terms of access and costs. Similar to RCAP results, this Implementing Decision confirms that Turkey's regulation and oversight framework is fully compliant with international standards.

## HIGHLIGHTS FROM ACTIVITIES

### Participation Banking and Interest-free Finance

Implementing Directorate V was established by the Agency on 22.01.2015 to ensure that activities regarding participation banking are performed in a fast, effective and coordinated manner. In 2016, the activities on participation banking and interest-free banking coordinated by this unit are as follows:

#### ► Activities Within the Scope of Istanbul International Finance Center Programme

In an effort to define the basic dynamics to ensure healthy and sustainable development of interest-free finance market and offer concrete proposals to help establish the required infrastructure in Turkey, a detailed Action Plan was drafted under the coordination of the Ministry of Development under Section 7 (Development of Participation Banking and Interest-free Finance) of the Istanbul International Finance Center Priority Transformation Programme included in the Development Plan 10 (2014-2018) as per the Turkish General Assembly Resolution 1041 dated 02/07/2013 which was issued in the Official Gazette 28699 (Duplicate) dated 06/07/2013. Within the scope of the Action Plan, the Agency was assigned as the "Clause Responsible" for Clause 7 as well as the direct "Action Responsible" for other clauses and activities.

Within the scope of Requirement 84 "Scanning the current legislation and making proposals on the regulations regarding the interest-free finance system" of Clause 7 of the action plan, "Interest-free Finance Law Draft Proposal" was created and submitted to Interest-free Finance Coordination Committee at its third meeting on December 28, 2016. The draft law was opened to the opinions of various public institutions.

Within the scope of Requirement 89 "Development of a mechanism to minimize the differences between transactions performed by interest-free finance institutions" and Requirement 90 "Provision of a corporate structure for the advisor boards of interest-free finance institutions" of Clause 7, a Central Consultant Committee will be established in line with the decision by Interest-free Finance Coordination Committee and Prime Ministry Circular.

Within the scope of Requirement 91 "Review and implementation of international standards in interest-free banking and creating new standards where necessary" of Clause 7, a work group was established to review IFSB standards and evaluate them in terms of applicability and the current legislation. Following the negotiations by Turkish Participation Banks Association (TKBB) and BDDK, IFSB standards were reviewed and it was decided to implement numerical impact analysis to participation banks on issues including capital adequacy.

Regarding the definition of alpha ration (the rate which specifies the risk weights of assets from participation accounts), Implementation Directorate V reviewed the Islamic Financial Services Board (IFSB) standards and the negotiation on changing the alpha ratio was submitted to the Commission. IFSB develops international standards on interest-free banking and the Agency is a full member at the level of presidency council. In this sense, alpha ratio was set as 50% as of 1/10/2016 with the Banking Regulatory and Supervision Board 7027 dated 29/09/2016.

#### ► Workshops

##### "Participation Banking and Entrepreneurship Ecosystem" Workshop

As per action 95 of Development Plan 10 Clause 7 which promotes financing of entrepreneurs and companies through partnership, a two-day workshop titled "Participation Banking and Entrepreneurship Ecosystem" was organized in collaboration with Borsa İstanbul A.Ş. and İstanbul Teknik Üniversitesi ARI Teknokent Proje Geliştirme Planlama A.Ş on May 12 and 13, 2016.

##### "Saving-based Interest-free Financing" Workshop

To increase the level of savings which is considered to be insufficient in Turkey, a new financial system is planned to encourage lower income groups and individuals who need residences or vehicles to save more. The new system aims at including the lower income groups who do not use financial services into the finance system and increasing the general level of savings. The finance system with a requirement for savings is widely used in Germany and Eastern Europe in the form of "Savings Funds".

Some companies in Turkey operate on the same principle as residence financing companies but there is no legal framework for these companies. Furthermore, these companies are not subject to oversight by any authority and it is a high risk for the clients and the industry. In this sense, the Agency is working on creating a review, research and legislation draft to include these companies into the scope of regulation and audit, create a framework similar to residence savings fund system and encourage new companies to operate in this area. With a legal framework created for the savings-based finance system and subject to the oversight of the Agency, the system will be more reliable for the customers and the framework will ensure more effective management of financial risks and prevention of consumer rights. During this process, the workshop organized by BDDK and Sakarya University on May 20, 2016 was an important step.



### “Legal Qualification of Unit Value and Participation Funds” Workshop

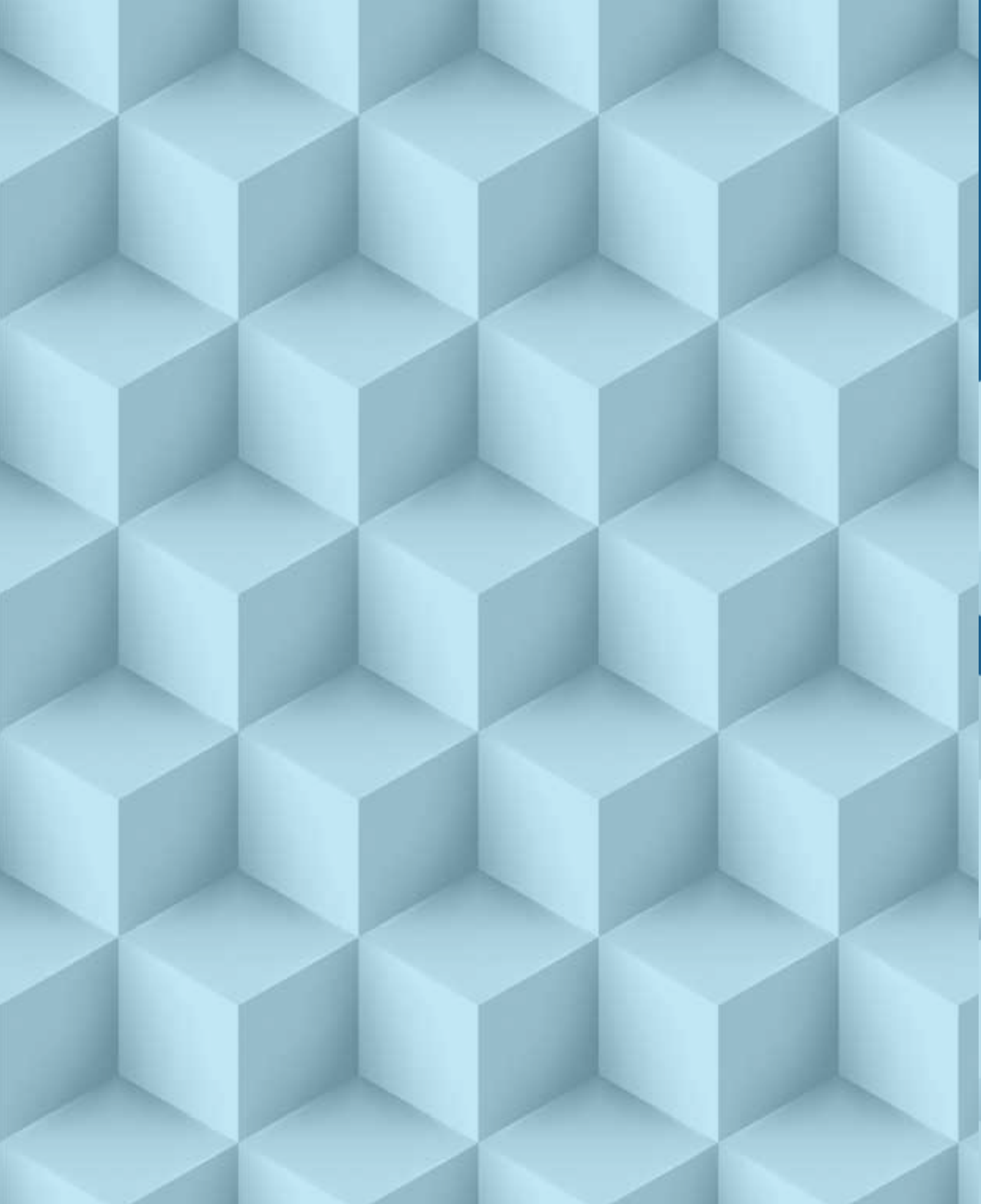
The workshop was organized by BDDK and Sakarya University on May 21 and 22, 2016 and the issues discussed included the qualification of participation funds which constitute a significant share of funds raised by participation banks and the Unit Value Calculation Table where income and costs of participation accounts are calculated on a daily basis.

#### ► Other Activities

From May 30 to June 3, 2016, experts from Islamic Financial Services Board (IFSB) provided a technical support training titled “Implementation of IFSB Standards” for the Agency personnel.

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) headquartered at Bahrain operates to standardize the finance implementations, corporate governance, audit, accounting standards and financial reporting for international interest-free finance institutions. In July 2016, BDDK joined 200 members from 45 countries including central banks, regulating authorities, finance institutions and accounting and audit companies with the status of Regulating and Oversight Authority.







# REGULATORY ACTIVITIES



## REGULATORY ACTIVITIES

Article 93 paragraph four of the Banking Law stipulates that the Agency will use its authorities granted as per this law and other applicable legislation in line with the regulating procedures and special decisions and the Agency is authorized to enact regulations and communiqués regarding the enforcement of this law. In line with the regulating function, efforts were made to amend the banking legislation to ensure compliance with EU and international banking rules and implementations.

Within the scope of the efforts on legislation, draft regulations prepared by the Agency are publicly shared at the Agency's web site. The drafts are shared with the representatives of the relevant industry for their opinions and opinions of the relevant institutions and organizations are requested where necessary. The drafts are reviewed based on the opinions and proposals of these organizations and sent to the Ministry of Development for the opinions and proposals for association with the relevant industry strategies and policies as well as the development plan and annual program of the relevant ministry in line with Article 93 Paragraph 5 of the Banking Law. Following the evaluation of such opinions and proposals, the final draft is submitted to the Board and regulations and communiqués submitted to the Prime Ministry to issue in the official gazette (except for those to be enacted by a decision by the Council of Ministers).

### Enacted Regulations

In 2016, four new regulations were enacted and 23 regulations and seven communiqués were amended.

The regulation drafts are shared with the representatives of the relevant industry for their opinions and opinions of the relevant institutions and organizations are requested where necessary.

**Table 3: Distribution of Enacted Regulations Based on Type**

Type of Regulation	2015	2016
Law	-	-
Amendment to Law	-	-
Regulation	4	4
Amendment to Regulation	21	23
Communiqué	4	-
Amendment to Communiqué	6	7
Circular	-	-
<b>Total</b>	<b>35</b>	<b>34</b>

## ► Regulations

►► **Regulation on Amendment to the Regulation on Accounting Practices and Financial Tables of Financial Leasing, Factoring and Financing Companies (RG 29587 dated 08/01/2016 )**: This Regulation classifies the guarantees issued by correspondent banks from OECD countries for export practices as group one assurances and export documents insured within the scope of export credit insurances, commercial receivables insurance policies, Credit Guarantee Fund assurances not supported by the Undersecretariat of Treasury and the guarantees issued by correspondent banks from non-OECD countries as group two assurances.

►► **Regulation on Amendment to the Regulation on Equities of Banks (RG 29599 dated 20/01/2016)**: Within the frame of Regulatory Consistency Assessment Programme (RCAP) which helps Basel Banking Audit Committee evaluate compliance with Basel Standards, the Regulation on Equities of Banks was amended to ensure full compliance with Basel Standards based on the evaluation the 2015. The amended issues include principles on discounts applicable to the elements of equities, share of minority shareholders in core capital, share of third parties in the capital and equities and capital items issued before 1/1/2014 and therefore do not meet the requirements of the Regulation.

►► **Regulation on Amendment to the Regulation on Banks' Liquidity Ratio Calculation Methods (RG 29599 dated 20/01/2016)**: Within the frame of RCAP where Basel Banking Audit Committee evaluates compliance with Basel Standards, the regulations on the Agency were reviewed before the evaluation of 2015 and the necessary amendments were made to the Regulation on Banks' Liquidity Ratio Calculation Methods and its annexes.

►► **Regulation on Amendment to the Regulation on the Principles on Authorization and Activities of Rating Institutions (RG 29599 dated 20/01/2016)**: Within the frame of RCAP where Basel Banking Audit Committee evaluates compliance with Basel Standards, the regulations on the Agency were reviewed before the evaluation of 2015 and the necessary amendments were made to the Regulation and its annexes.

►► **Regulation on Amendment to the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (RG 29599 dated 20/01/2016)**: This Regulation clearly states that the Bank's Board is responsible to establish and enforce ISEDES and ensure that the capital required for the risks is available. On the other hand, Article 6, Clause (1), Paragraph (g) of the Regulation was amended to make the specialty banks which have a special incorporation regulation and do not accept deposits exempt from the limitation.

►► **Regulation on Amendment to the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (RG 29599 dated 20/01/2016)**: This Regulation imposes that the Agency's approval is required to determine the debt instruments in "qualified debt instruments category" and all instruments equivalent to investable in terms of loan quality and are subject to comparable regulations and audit as per the Regulation are included in the "qualified debt instruments category. Basel II quality criteria of long-term presence of the commercial real estate market and well-improved market were added for the implementation of 50% risk weight for determination of loans given against commercial real estate lien as set forth in ANNEX 1 on the Regulation. Additional risk weights for individual loans were removed and risk weight of mortgage loans for residences was downgraded to 35% from 50%.

►► **Regulation on Systematically Important Banks (RG 29633 dated 23/02/2016)**: Being a member of FSB and BCBS, Turkey is in the process of determining country specific D-SIBs and the additional core capital required from the banks as well as the regulations they will be subject to within the scope of Basel III and other international standards and for the purposes of determination of systematically important banks in the Turkish banking industry and the international standards and principles applicable to the responsibilities of banks.

►► **Regulation on Amendment to the Regulation on Principles of Establishment and Operation of Asset Management Companies (RG 29644 dated 05/03/2016)**: The purposes of this Regulation are to add a clear provision that Asset Management Companies (AMC) are included in the scope of other financial institutions defined in the Regulation, ass the definition of control in the Banking Law 5411, increase the minimum capital required to incorporate a company to TL 20 million and grant a time of compliance to the companies, make Article 7 of the Regulation

## REGULATORY ACTIVITIES

compatible with TCC, add the phrases of collection and support to Article 11 Paragraph One Clause (ç) of the Regulation, ensure that internal control, accounting, IT and reporting systems are established, and add regulations to Article 11 regulating the areas of activity of AMCs on investing on securities and to Article 15 regarding the type of transaction, whether or not any fault which requires the revocation of the operating permit is available and whether or not force majeure is available.

►► **Regulation on Amendment to the Regulation on Measurement and Assessment of Liquidity Adequacy of Banks (RG 29649 dated 10/03/2016):** Development and investment banks were made exempt from the liability of meeting the liquidity meeting ratio set forth by the Regulation on Calculation of Liquidity Meeting Ratio of Banks until a specific ratio is set forth by them. However, these banks are still liable to report and meet the standard ratio requirements in line with the mentioned Regulation. In calculation of foreign exchange adequacy ratio of foreign exchange assets and liabilities as per the Regulation, a temporary provision was added to continue foreign exchange considerations using specified consideration rates.

►► **Regulation on Amendment to the Regulation on Principles and Procedures Regarding Determination of the Quality of Loans and Other Receivables and the Required Allowances by Banks (RG 29677 dated 07/04/2016):** This Regulation introduced amendments for solving the problems on repayment of loans in the tourism industry and the temporary article for restructuring the loans in a more flexible manner was extended until the end of 2016 due to continuing problems in the marine industry.

►► **Regulation on Amendment to the Regulation on Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies (RG 29730 dated 02/06/2016):** As per Articles 14 and 16 of Law No. 6361 on Financial Leasing, Factoring and Financing Companies, these companies are audited by independent audit companies authorized by the Public Oversight, Accounting and Auditing Standards Authority. With the amendment of Article 7 Paragraph 3 of the Regulation on Financial Institutions, reports which should be submitted to the Agency by financial leasing, factoring and

financing companies during the process of capital increase should now be confirmed by independent auditors authorized to audit such companies in line with the Statutory Decree on Organization and Responsibilities of Public Oversight, Accounting and Auditing Standards Authority.

►► **Regulation on Accessibility of Banking Services (RG 29746 dated 18.06.2016):** The Regulation regulates the methods and principles to ensure that disabled individuals have easy and secure access to banking services offered through branches, ATM, card system, call center or web banking and protect them against fraud or misconduct in accordance with Law No. 5378 on Disabled Individuals.

►► **Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances (RG 29750 dated 22/06/2016):** The Regulation was drafted considering the TFRS 9-Financial Tools Standard, Core Principles on Effective Banking Oversight and Supervision (Basel Core Principles) which will be in effect on 01/01/2018 to replace “Regulation on Principles and Procedures Regarding Determination of the Quality of Loans and Other Receivables and the Required Allowances by Banks” and European Banking Authority’s regulations on classification and restructuring of loans. With this Regulation; provisions will be allocated for estimated losses as per TFRS 9, loan classes were associated with the provision allocation phases in TFRS 9, the definition of non-performing receivables were amended to cover the receivables in default as defined by TFRS 9 and Capital Adequacy Legislation, conditions to classify non-performing receivables as performing receivables were set, and issues regarding “restructuring” as another class between non-performing and performing receivables were regulated. The Regulation also regulates the issues regarding the disposal of assets acquired by the banks due to receivables and the accounting of these transactions were made subject to Turkish Accounting Standards.

►► **Regulation on Methods and Principles on Purchase and Sale of Precious Metals by Banks (RG 29750 dated 22/06/2016):** Implementation principles for goods and real estate by banks for receivable amounts are set forth in Article 16 of “Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances”. The Regulation updates

and regulates the provisions on purchase and sale of precious metals set forth by “Regulation on Methods and Principles on Purchase and Sale of Precious Metals by Banks and Disposal of Assets Acquired by Banks Due to Receivables” and provisions on assets acquired by the banks due to receivables were removed.

►► **Regulation on Amendment to the Regulation on Equities of Banks (RG 29750 dated 22/06/2016):** Accounting requirements for allocation of depreciation and provisions which encourage disposal of assets acquired due to receivables were revoked and these are now required to be registered in line with Turkish Accounting Standards as per Article 16 of “Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances”. In this context, the provision of “Regulation on Methods and Principles on Purchase and Sale of Precious Metals by Banks and Disposal of Assets Acquired by Banks Due to Receivables” which required that assets not disposed in five years are to be reduced from the equities was amended as three years to encourage disposal of such assets and increase the liquidity of banks' balance sheets.

►► **Regulation on Amendment to the Regulation on Methods and Principles for Determination of the Qualities of Loans and Other Receivables by the Banks and the Provisions (RG 29792 dated 05/08/2016):** With this amendment and as applicable until the end of 2016, regarding the loans and other receivables by the banks for use in the energy industry;

- Classification of a Group II loan as Group I loan when 10% of the loan is paid back,
  - Decision whether or not to make provisions for an energy industry loan classified as non-performing due to another loan is at the discretion of the banks,
  - Increase in the number of restructuring of non-performing receivables and decrease of the minimum payment amount,
  - Decrease of follow-up time of restructured non-performing receivables at the account,
  - Cancellation of the requirement to make special provisions for special loans
- are now possible.

►► **Regulation on Amendment to the Regulation on**

**Measurement and Evaluation of Capital Adequacy of Banks (RG 29840 dated 27/09/2016):** In consolidated and non-consolidated capital adequacy standard rate calculations of participation banks, the Regulation was amended to allow differentiation of alpha rate in time considering the changes in the data used by the Agency for calculating the alpha rate rather than specifying a stable rate for consideration of funds used through participation accounts in compliance with international standards. The second amended provision of the Regulation is the term for submitting the capital adequacy calculations. The Regulation was amended to authorize the Board to specify the submittal term for notifications on capital adequacy calculations, consolidated and non-consolidated, which used to be 30 days after the calculation period.

►► **Regulation on Amendment to the Regulation on Bank Cards and Debit Cards, Regulation on Amendment of the Regulation on Credit Procedures of Banks, Regulation on Amendment of the Regulation on Principles and Procedures Regarding Determination of the Quality of Loans and Other Receivables and the Required Allowances by Banks, Regulation on Amendment of the Regulation on Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies, Regulation on Amendment of the Regulation on Accounting Practices and Financial Tables of Financial Leasing, Factoring and Financing Companies (RG 29840 dated 27/09/2016):** With the amendments in the Regulation;

- Number of installments for credit cards was increased to twelve from nine and the installment ban on purchase of products which do not include any tangible goods or services including gift vouchers as well as telecommunication products, fuel and food continued. The maximum number of installments for electronic goods and computers was decreased to six from nine and the maximum number of installments for airlines, travel agencies, transportation, lodging, health and social services expenditures, purchase of health products, payments to associations and tax payments was maintained at six. Installment ban is now applicable for expenditures made abroad, purchase of alcoholic beverages, purchase of cosmetic products and office supplies, and expenditure for directly marketed products and the maximum number of installments for purchase of goods and services with corporate

## REGULATORY ACTIVITIES

cards was increased to 12 months from nine months.

- Debt balance of credit cards or consumer loans can now be restructured by the banks in maximum seventy two installments when requested by the card holder or debtor. In this context, the provision for reservation of general allowances incrementally when the agreement terms are amended due to postponing of due dates of live credits by banks and financing companies was revoked.
- Maximum number of installments for consumer loans was increased to 48 months from 36 months.
- In mortgage loans, the limitation for the rate of the residence pledged as collateral to the value of the residence was increased to 80% from 75%.
- Mortgage loans at an amount of the residence pledged as collateral in financial leasing procedures by development and investment banks and participation banks can now be used.

►► **Regulation on Amendment to the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (RG 29913 dated 09/12/2016):** This Regulation regulates the following.

- Businesses defined as SME in capital adequacy calculations will be determined by the Board.
- The limitation for determination of retail loans will be specified by the Board and not written in numbers.
- 75% loan collateral rate required for implementation of favorable risk weights to residence mortgage loans was increased to 80%.
- Banks' liability to inform the Risk Center on their rating institutions was amended as a liability to inform BDDK.

►► **Regulation on Amendment to the Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances (RG 29918 dated 14/12/2016):** The effective date of the Regulation was amended

from 1/1/2017 to 1/1/2018. Temporary Article 1 on banks which are not ready for the compliance process and TFRS 9 was updated and Temporary Article 2 on general allocation rates applicable in 2017 was revoked.

►► **Regulation on Amendment to the Regulation on Principles and Procedures Regarding Determination of the Quality of Loans and Other Receivables and the Required Allowances by Banks (RG 29918 dated 14/12/2016):** With this Regulation, the scope of the provision on general provision exemptions and lower rate of general provisions applicable to exports and transactions which provide foreign currency earnings as well as SME loans was extended to cover commercial loans and syndication loans to be used for financing large-scale public tenders and lower general provisions can now be allocated for these loans followed up in Group 2. A temporary article was added to allow restructuring of loans and other receivables classified as non-performing with more flexible conditions and maximum two times until the end of 2017.

Following the first restructuring, non-performing loan can be classified as performing provided that the late amounts were paid and the last three payments before the date of classification were made in a timely manner. After the second restructuring, non-performing loan can be classified as performing provided that there are no late payments and the last six payments before the date of classification were made in a timely manner.

With a temporary article of the Regulation, the delay period for liabilities of debtors which were closed, transferred to the Directorate General of Foundations or the Treasury or given to the Custody of the Savings Deposit Insurance Fund or public officers discharged from office or real or legal persons whose property was confiscated within the scope of the state of emergency declared by the Council of Ministers Decision 2016/9064 dated 20/7/2016 can now be started as of January 21, 2017.

►► **Regulation on Amendment to the Regulation on Accounting Practices and Financial Tables of Financial Leasing, Factoring and Financing Companies (RG 29918 dated 14/12/2016):** With this Regulation, a provision similar to the one in Regulation on Amendment of the Regulation on



Principles and Procedures Regarding Determination of the Quality of Loans and Other Receivables and the Required Allowances by Banks regarding the delay periods within the scope of the state of emergency was enacted.

►► **Regulation on Amendment to the Regulation on Credit Procedures of Banks (RG 29918 dated 14/12/2016):** This Regulation analyses the provision that financial tables are not submitted by real person businesses which do not keep books on the basis of balance and therefore the loans they can use is limited to TL 250 thousand as per Article 8 Paragraph 1 Clause (a) of the Regulation. Following the assessment of the issue, the limitation was increased to TL 1 million from TL 250 thousand.

#### ► Communiqués

►► **Communiqué on Amendment to the Communiqué on Financial Tables Publicly Disclosed by Banks and Explanatory and Footnotes (RG 29599 dated 20/01/2016 RG):** Within the scope of RCAP created by Basel Committee in 2012 and as a result of the review of Agency's regulations before 2015 assessments of Turkey, a provision was added to the Communiqué on monitoring of risks associated with calculation of cyclic capital buffer and the amendment of the Regulation on Calculation of Liquidity Meeting Ratio of Banks was reflected to the Communiqué.

►► **Communiqué on Amendment to the Communiqué on Explanations Publicly Disclosed by Banks on Risk Management (RG 29599 dated 20/01/2016):** The Communiqué previously drafted within the frame of RCAP was amended.

►► **Communiqué on Amendment to the Communiqué on Credit Risk Reduction Methods (RG 29599 dated 20/01/2016):** A qualitative provision was added to the Communiqué to enforce banks to consider the risks which may arise if they use their own volatility setting models.

►► **Communiqué on Amendment of the Communiqué on Calculation of Credit Risk Base Amount with Internal Rating-Based Approaches (RG 29599 dated 20/01/2016):** With this Communiqué, the exemptions in Article 9 on the use of standard approach rather than internal rating-based approach were limited,

issues on how to consider the estimated loss were included in the Communiqué rather than the Annex to ensure integrity, directed loans risk class was added under corporate loans, and risk weights which will be used to calculate the risk-weighted amounts of stock investments with a "Simple Approach" were amended. Risk-weighted amount calculations for investments by collective investment institutions were explained based on "Capital requirements for banks' equity investments in funds" document issued by Basel Banking Authority and risk-weighted amount calculations for transferred receivables were detailed.

►► **Communiqué on Amendment to the Communiqué on Calculation of Credit Risk Base Amount with Internal Rating-Based Approaches (RG 29599 dated 20/01/2016):** Within the frame of Regulatory Consistency Assessment Program used by Basel Banking Supervision Committee to assess compliance with Basel Standards and to ensure that Turkey is in full compliance with Basel Standards within the scope of 2015 assessment, amendments were made in the Communiqué on Amendment of the Communiqué on Calculation of Credit Risk Base Amount with Internal Rating-Based Approaches on receivables to be considered within the scope of high-volatility commercial real asset financing, risk-weighted asset calculation of commercial loans of SMEs, and minimum conditions for use of internal rating systems.

►► **Communiqué on Amendment to the Communiqué on Calculation of Market Risk with Risk Measurement Models and Assessment of Risk Measurement Models (RG 29599 dated 20/01/2016):** This Communiqué specifies the standards for risk measurement models used by banks to calculate market risks and the methods and principle applicable to assessment of risk measurement models and calculation of market risks. This specifies the conditions and permit procedures for banks to calculate one or some or all general market risks, specific risks, currency risks and goods risks within the frame of the base amount for market risks using the risk measurement model rather than the standard method.

►► **Communiqué on Amendment to the Communiqué on Uniform Accounting Plan and the Guideline (RG 29926 dated 22/12/2016):** With this Communiqué, accounts were created and the necessary explanations were made on monitoring of funds

## REGULATORY ACTIVITIES

collected against electronic money and payment funds. Based on problems faced during implementation and the proposals of professional unions and banks, various accounts were added to the Communiqué and account explanations were changed.

►► **Communiqué on Amendment of the Communiqué on Uniform Accounting Plan Implemented by Participation Funds and the Guideline (RG 29926 dated 22/12/2016):** With the Communiqué, accounts were created and the necessary explanations were made on monitoring of funds collected against electronic money and payment funds. Based on problems faced during implementation and the proposals of professional unions and banks, various accounts were added to the Communiqué and account explanations were changed.

### ► Major Board Decisions

►► **Banking Regulation and Supervision Agency Decision 6705 dated 04/02/2016:** This Decision stipulates that membership of payment institutions and electronic money institutions to the Risk Center should not be allowed.

►► **Board Decision 7004 dated 06/09/2016:** With this decision, the limitation of TL 1,000 set forth by Article 9 Paragraph 2 of Law No. 5464 on Bank Cards and Credit Cards Law and Article 22 Paragraphs 1 and 3 of Regulation on Bank Cards and Credit Cards was increased to TL 1,300 as per Article 47 of the Law.

### Regulations with Preparatory Work in Progress

►► **Draft Residence Savings System Law:** The purpose of this draft is to implement "Residence Saving Fund System" investigated by the Agency in Turkey and audit the institutions which are currently providing financial intermediary services without being subject to any regulation or audit.

►► **Draft Communiqué on Basics of Debt Instruments To Be Included in Equity Calculations by Banks:** With this Communiqué and as required by the Regulation on Equities of Banks, methods and principles for deregistering or depreciation of debt instruments to be included in equity calculations by banks will be clearly explained.

### Regulations with Studies Completed and Enacted in 2017

#### ► Regulations

►► **Regulation on Purchase of Valuation Services by Banks and Authorization and Operation of Valuation Service Providers for Banks (RG 29946 dated 12/01/2017):** This Regulation specifies the methods and principles applicable for receipt of valuation services by banks, removing duplicate provisions in the capital markets legislation and the Regulation, definition of contracted valuation expert and preparation of valuation reports by them. With the same Regulation; valuation companies can be authorized to provide valuation services only for real estate, real estate projects or rights and benefits attached to real estate; principles applicable to the banks for purchase of other valuation services were determined; information, documents and reports will be prepared by the valuation companies and submitted to Turkish Valuation Experts Union; professional liability insurance required by the valuation companies was determined and temporary revocation or cancellation of authorization was regulated.

►► **Regulation on Amendment to the Regulation on Banks' Liquidity Ratio Calculation Methods (RG 29993 dated 28/02/2017):** Regulation on Banks' Liquidity Ratio Calculation Methods was amended for postponement of calculation of consolidated liquidity ratio over daily data until 01/01/2018.

►► **Regulation on Amendment to the Regulation on Receipt of Support Services by Banks (RG 29997 dated 04/03/2017):** This Regulation ensures that services of collection, counting, distribution and delivery of valuable papers can be provided by companies listed in Law No. 5188 on Private Security Services and service providers authorized by Information Technologies and Communication Agency as per Law No. 6475 on Postal Services. With the same Regulation, support services received by banks from the relevant companies are now inclusive of marketing services, products and services within the scope of retail services as per Article 6 Paragraph 1 Clause (g) of Regulations on Measurement and Evaluation of Capital Adequacy of Banks and products and services for purchase and sale of real estate and vehicles and companies which provide services of marketing, collection of information and documents and signing agreements are no longer required to be capital companies.



▶▶ **Regulation on Amendment to the Regulation on Principles of Establishment and Operation of Asset Management Companies (RG 29997 dated 04/03/2017):**

With this Regulation, cancellation of operating licenses will be announced in the Official Gazette to inform the relevant parties in the industry.

▶▶ **Regulation on Amendment to the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (RG 29997 dated 04/03/2017):**

With this Regulation, various corrections were implemented to solve the problems arising from the high number of valuation companies providing real asset valuation services for banks as compared to other financial institutions mentioned in the regulations.

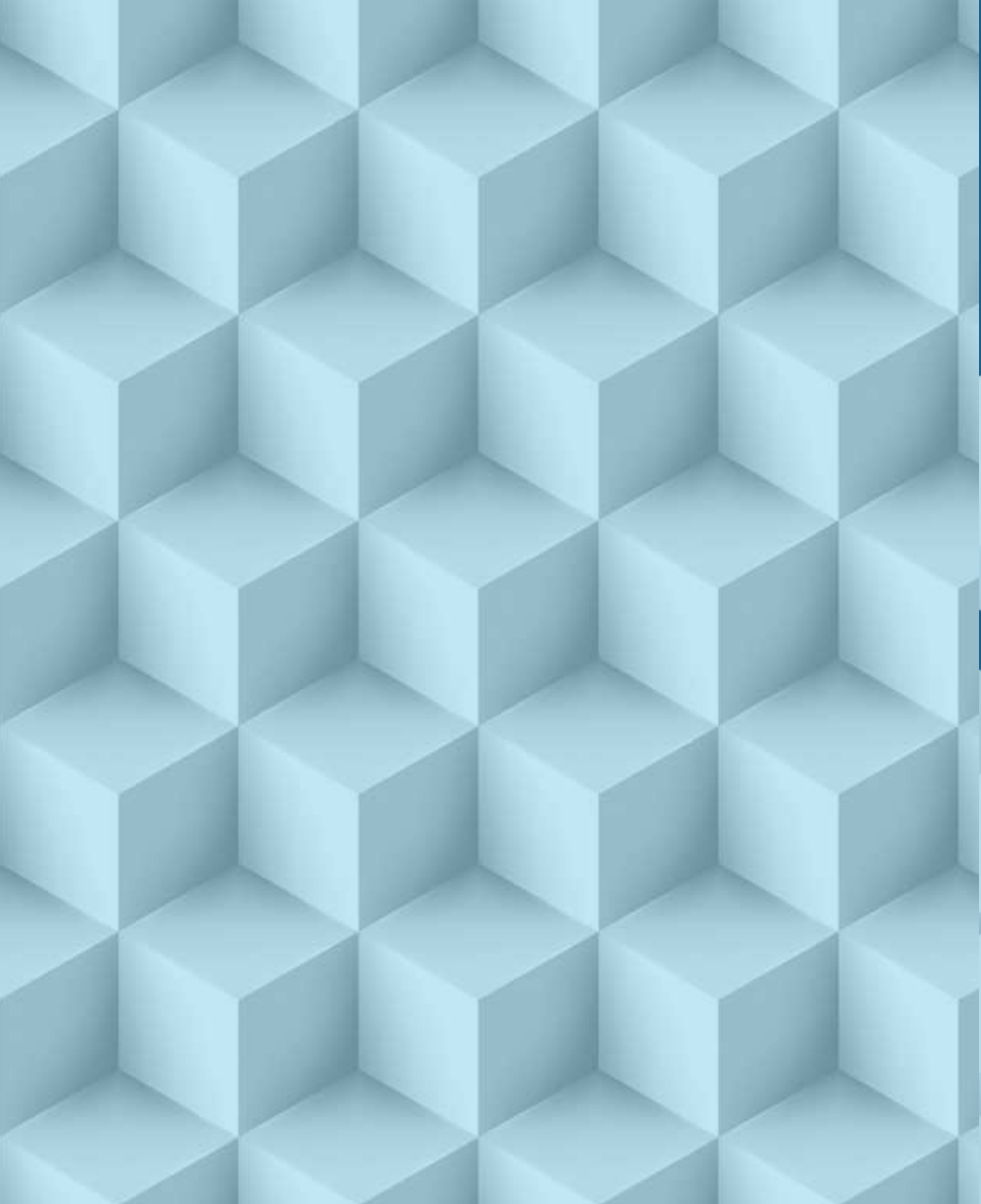
▶ **Communiqués**

▶▶ **Communiqué on Amendment to the Communiqué on Financial Tables Publicly Disclosed by Banks and Explanatory and Footnotes (RG 29993 dated 28/02/2017):**

The Communiqué on Financial Tables Publicly Disclosed by Banks and Explanatory and Footnotes was amended for postponement of calculation of publicly disclosed consolidated liquidity ratio over daily data until 1/1/2018.

▶▶ **Communiqué on Amendment to the Communiqué on Credit Risk Reduction Methods (RG 29995 dated 02/03/2017):**

With the amendment of 'Communiqué on Credit Risk Reduction Methods', the provisions regarding the transformation of legal matching of the financial assurance with the loan to systemic matching and release of the assurance at credit risk reduction account which is effective due to the reduction in the credit amount or reuse for credit risk reduction were changed.



# SUPERVISION ACTIVITIES



## SUPERVISION ACTIVITIES

### Financial Structure Audit

Supervision activities are inclusive of all on-site audits performed by the experts on the relevant institutions using the authority granted to the Agency as per the Banking Law and other applicable legislation. These activities include review and analysis of various indicators on consolidated or non-consolidated financial performances of banks and other institutions within the scope of the audit and regulations and generating periodic reports.

These activities include analysis of financial strength, supervision of compliance with the Law and the applicable legislation, detection of problems and vulnerabilities through stress tests and notification of relevant units and decision makers in case of negative issues without waiting for standard reports. The audit function is performed using various resources including the Agency's database.

Methods and principles on supervision are set forth by the Regulation on Principles and Procedures Regarding the Audit Performed by Banking Regulation and Supervision Agency issued on the Official Gazette 26236 dated 22/07/2006. Within the scope of this Regulation, audit process activities are performed through audit guides.

The tasks and authorities on supervision granted to the Agency with the applicable legislation are performed by the Board, Presidency, Vice Presidency, Directorates and group managers operating under them as well as professionals assigned to temporary and/or stable audit teams.

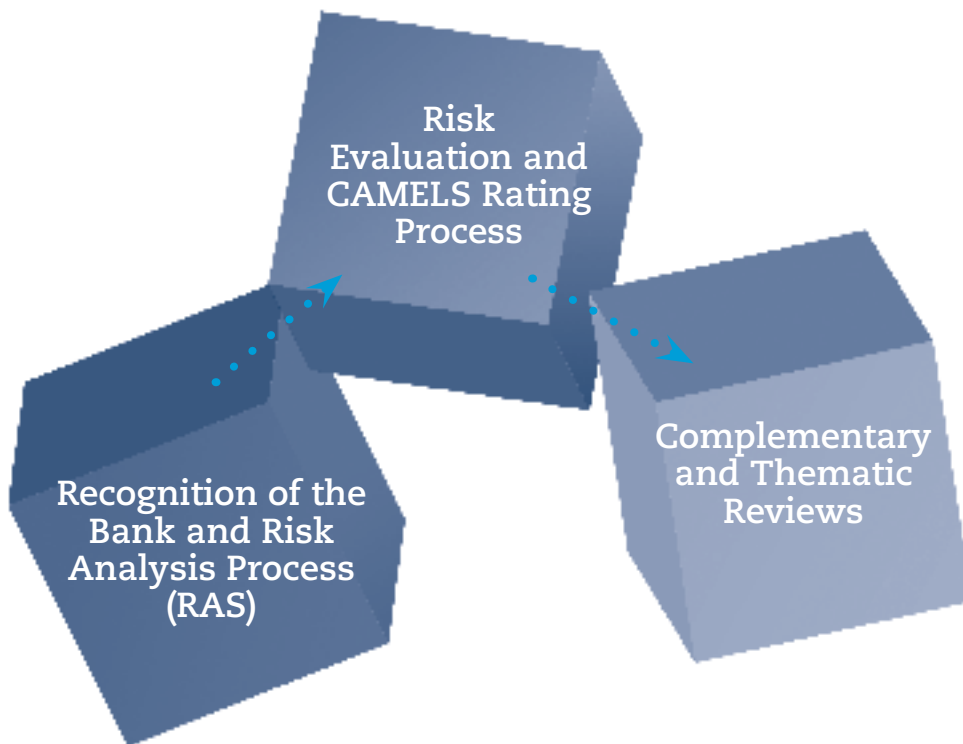
The Agency performs supervision activities with a risk-based and dynamic approach to endure the effectiveness, consistency and adequacy of audits and efficient use of sources. Audit groups follow up the developments in the financial resources from up-to-date resources and perform audits in line with guideline drafted based on international applications and risk-focused audit approach.

On-site supervision includes;

- Analyses of bank's assets, liabilities, equities, income and revenues, other factors with an effect on the financial structure,
- Adequacy and efficiency review of bank's internal control, risk management and internal audit systems,
- Risk evaluation of banks and determination of risk profiles,
- Supervision of bank's financial tables and books in terms of compliance with accounting principles and standards,

- Supervision of bank's activities in terms of compliance with the provisions of Banking Law and other regulations applicable to institutions within the scope of the Law,
- Review of issues regarding the priority activities of banks,
- Consolidated supervision of financial holding companies and/or main partner with associates and other partnerships,
- Supervising the activities of factoring, financial leasing and financing companies,
- Supervising the activities of asset management companies,
- Supervising the activities of independent audit companies,
- Supervising the companies subject to Bank Cards and Credit Cards Law,
- Supervising the internal models used by banks in line with Basel II credit risk internal rating approaches,
- Supervising the rating companies at the authorization process,
- Supervising the payment institutions and electronic money institutions subject to Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions,
- Review of notifications and complaints other than those received by the Agency on individual products and services and which require on-site audit,
- Reviews based on requests by the Prime Ministry Supervisory Board, Parliamentary Investigation Committees, MASAK, prosecution offices and other public institutions and other audit activities.

A good practices guideline is issued to list the good practices expected from the banks and inform the banks on the assessment criteria applicable for on-site audits to be performed by the Agency. The principles listed in the good practices guideline are used as criteria in assessment of the efficiency and effectiveness of the bank's implementations the Agency's assessments on findings during or after the audit are based on these principles.



**Figure 2: Supervision Cycle**

#### ► Supervision Cycle

The supervision cycle designed within the frame of Risk-Focused Audit Approach consists of consecutive processes.

**Determination of Supervision Strategy:** At the first stage of on-site supervision within the scope of risk-focused audit, supervision frequency and scope are defined for the bank using the matrices based on the specified criteria (bank's previous rating, size of risky assets etc.) by the Audit I, II and III Directorate Heads chaired by the Vice President Responsible for Audits. Based on this, banks which will or will not be subject to on-site supervision, scope of supervision, supervision groups, group heads and teams assigned for on-site supervision are determined and submitted to the approval of the presidency.

**Detection of Risk Areas (RAS) and Audit Planning Process:** The audit cycle of the Agency is designed to detect and prioritize areas of risk for the banks, transfer the available resources and ensure detailed reviews in the relevant areas of activity and ensure solid evaluation and rating options regarding the financial structure of banks. During the risk analysis phase of the audit cycle, the audit team makes a preliminary assessment of the bank's risk management adequacy.

The Agency performs supervision with a risk-based and dynamic approach to endure the effectiveness, consistency and adequacy of supervision and efficient use of sources.

## AUDIT ACTIVITIES

This assessment is inclusive of assessment of the bank's internal systems, credit management and compliance functions. The bank's most up-to-date risk evaluation, Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis (CAMELS) rating, ISEDES Report, independent audit reports and internal audits performed by the Agency are used for the evaluation.

At the risk analysis phase, risks associated with the bank's activities and assessments regarding the quality of risk management activities are summarized in the risk profile and risk matrix. The risk profile also includes opinions on the estimated direction of the risk (increasing, decreasing or stable).

After the risk matrix is generated, audit teams drafts a risk assessment opinion for use in audit planning. The purpose of the opinion is to update the risk profile of the bank, determine the areas to be supervised with a risk-focused approach and provide a basis for the audit plan for the bank.

Benefits expected from the RAS system are;

- Maximum efficiency and consistency of the audit process,
- Systematic and fast follow up of developments in the risk profiles and financial structures of banks,
- Planning and implementation of audit processes based on the risk profile of each bank,
- Effective allocation of audit resources to high-risk areas of activity and others.

Following the on-site audits at banks, a Risk Analysis Opinion is drafted to determine the bank's risk profile and prepare audit plans based on the Risk Assessment Guide.

Audit plans are prepared by the Group Manager with the assistance of audit group members and submitted to the approval of the presidency upon confirmation of the Directorate Head and Vice President as specified in the Audit Regulation and Audit Guideline. Audit plans basically specify the bank's risk areas specified during the risk analysis, audit terms and Bank Auditors assigned for on-site audit in these areas. The basic principle is to implement the Audit Plan during the audit cycle without any change; however, changes can be made by approval of the president where necessary.

As a result of the audits performed by audit teams organized by the Vice Presidency Responsible for Audits; 290 reports, 15 opinions on risky areas and 353 reports on various issues were drafted in 2016.

**Risk Evaluation and CAMELS Rating Process:** With this process, a consolidated approach is used to analyze the financial soundness and determine the ratings of banks, the efficiency of risk profiles, risk management and internal control and audit systems (systems and processes for prevention of money laundering and finance of terrorism included) and ISEDES Reports. The rating system consists of six assessment criteria (components) namely organization and management, adequacy of shareholders equity, resource structure and liquidity, quality of assets, balance of income and expenditures, and profitability and sensitivity to market risks.

Each assessment criterion is divided into activity and sub rating notes and these ratings generate the combined rating and the bank's final rating. The final rating system is based on CAMELS approach and it was adapted to Turkey by the Agency based on the requirements of Turkish banking system. Internal Capital Adequacy Assessment Process (ISEDES) and Audit Authority's Review and Audit Process (IDES) including the assessments on internal capital adequacy of banks within the scope of Basel regulations are included in the assessment process. Finally, a Financial Structure and Assessment Report is generated for the bank and submitted to the Directorates.

**Complementary and Thematic Reviews:** Upon completion of CAMELS Rating and Risk Evaluation processes policies and processes on special reviews not submitted until the end of the audit term, legislation audit and prevention of money laundering and finance of terrorism were reviewed in terms of compliance with international standards through MASAK regulations and audit findings and notification-complaint reviews were completed.

### ► Supervision Results

As a result of the supervision teams of Vice Presidency Responsible for Audits in 2016; 290 reports, 15 opinions on risky areas and 353 other opinions on RAS, ÖNER, Financial Structure and Rating Report/Basic Evaluation Report, legislation audit, complaints and notifications and local branch investigations were drafted. Details of the opinions and number of opinions on risky areas in 2016 are given in the table below.

**Table 4: Supervision Reports**

Subjects	2015		2016	
	Number	Share %	Number	Share %
RAS	29	4.0	15	2.3
ÖNER*	44	6.1	21	3.2
Financial Structure and Rating Report/Basic Evaluation Report	18	2.5	36	5.5
Inspection of Legislation	71	9.9	74	11.2
Notifications and Complaints**	93	13.0	136	20.7
Inspection of Domestic Branches	13	1.8	4	0.6
Inspections of Overseas Branches and Affiliates	-	-	-	-
Inspection of Legislation Applicable to Other Finance Institutions	33	4.6	15	2.3
Inspection on Notifications and Complaints on Other Finance Institutions	13	1.8	4	0.6
Determination of Duty Losses	1	0.1	-	-
Opinions	395	55.0	353	53.6
Other	8	1.1	-	-
<b>Total</b>	<b>718</b>	<b>100.0</b>	<b>658</b>	<b>100.0</b>

\* With the ÖNER system, issues of non-compliance with the legislation were handled in ÖNER. In 2017 audit term, ÖNER system was terminated.

\*\* The report drafted on notifications and complaints received by the Agency on individual products and services provided by the institution is not included. These data are available in Section 7 titled Protection of Financial Consumers.

### ► Information Systems Audit

IT Compliance Directorate is responsible for effectively performing the regulation, implementation and audit functions on IT systems of institutions under the responsibility of the Agency. Independent Audit Tracking System (BADES) developed by the Agency's software and IT audit team is used to digitally monitor independent audit company data on establishment, auditor, contract information, independent audit and Agency IT systems audit reports, report findings, summary information and action plans and leak test reports, findings and action plans generated for the banks by independent audit companies.

In 2016, 33 institutions were reviewed in terms of IT systems within the scope of operating permit applications and the process was handled in collaboration with the Agency's internal units.



## AUDIT ACTIVITIES

Procedures were defined for implementation activities on IT systems audit reports generated by independent audit companies and Agency personnel and sample text templates were generated and the process was standardized.

Institutions which wish to operate subject to Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions dated 20.06.2013 apply to the Agency for an operation permit. Regulation on Payment Systems and Electronic Money Issue and Payment Institutions and Electronic Money Institutions requires that institutions have independent audits performed on the adequacy of their IT systems and submit the report to the Agency.

“Communiqué on Management and Audit of IT Systems of Payment Institutions and Electronic Money Institutions” (Communiqué) was issued on the Official Gazette 29043 dated 27.06.2014 and made effective. In this context, IT systems audit reports of institutions which apply for an operating license are submitted to the IT Compliance Directorate and an opinion is provided on the adequacy of IT systems with regards to the Law and the Communiqué.

The process of review of IT systems adequacy reports for payment and e-money institutions within the scope of operating license procedure which started in 2015 continued in 2016. Evaluation process for standardization of the review process was implemented using the task steps defined by the internal implementation procedure. A guideline was drafted to list the issues to be considered regarding the reports and subject-based special reports with the purposes of ensuring evaluation consistency and process improvement.

In 2016, 33 institutions were reviewed in terms of IT systems within the scope of operating permit applications and the process was handled in collaboration with the Agency's internal units. IT reports submitted to the IT Compliance Directorate were reviewed, independent audit companies were contacted to take action and correct the failures to ensure that the reports are suitable for evaluation. Meetings were held with the applicant institutions on issues related with IT systems where necessary.

Scheduling and infrastructure activities on independent IT systems audits required by the Communiqué were started and efforts to ensure compliance of the institutions with the regulations starting with 2017 were scheduled.

To ensure national cyber security, methods and principles regarding the measures to ensure the security of services, procedures and data provided by public institutions via IT systems as well as the security and privacy of the systems used in providing them and the methods and principles applicable to real and legal persons involved in the operation of critical IT platforms are regulated by the “Decision on Operation, Management and Coordination of National Cyber Security Activities” dated 20.10.2012 by the Council of Ministers. National Cyber Issues Intervention Organization (USOM) and Industrial and Corporate Cyber Issues Intervention Teams (SOME) assigned and authorized with the communiqués and guidelines issued after this decision started to operate.

The Agency performs the regulation and supervision function for the banking industry, listed as one of the critical industries. Industrial SOME was established in 2014 and 53 Corporate SOMEs were available as of 2016. The Agency was in close cooperation with USOM, Ministry of Transportation, Marine and Communication (UDHB) and other relevant institutions.

Cyber issues in the banking industry were monitored and the Agency continued to work on possible measures against acts of fraud using the bank and prevention methods. An instruction was recently sent to the banks regarding the security of mobile and web banking and the banks were encouraged to take extra measures. Announcements and warning messages received from USOM and decided to be announced to the banking industry as Industrial SOME or Corporate SOME were notified and the measures taken by the institutions were reviewed. The Agency attended the evaluation of SOME activities with USOM, Industrial SOMEs of critical industries and other stakeholders as well as various meetings, seminars and workshops on collaboration, coordination and threats on critical industries. Information was shared by institutions which request opinion or information. In this framework;

- Upon DDoS (Distributed Denial of Service) attacks targeting the banking industry in December 2015, relevant information was received from all Corporate SOMEs and shared with the relevant stakeholders to provide solutions for similar attacks.



- The Agency attended the "2016-2019 National Cyber Security Strategy and Action Plan Workshop" organized in June and November by Cyber Security Commission Secretariat operating under UDHB and the participants were informed on relevant issues.
- The Agency attended the "Workshop for Prevention of Social Engineering Fraud" and made a presentation.
- The Agency organized a SOME Coordination Meeting with the participation of USOM to discuss the latest regulations, cyber security issues including phishing, social engineering, fraud and DDoS attacks, necessary measures and possible solutions.

IT audits of institutions under the responsibility of the Agency were performed by the Agency's staff and independent audit companies. The Agency's personnel performed scheduled audits and special audits within the frame of the audit guidelines. One scheduled audit and four special audits were performed within the frame of IT Audit Guidelines drafted by the Agency's personnel for IT audits. In addition to these activities, independent audit companies also continued to perform audits.

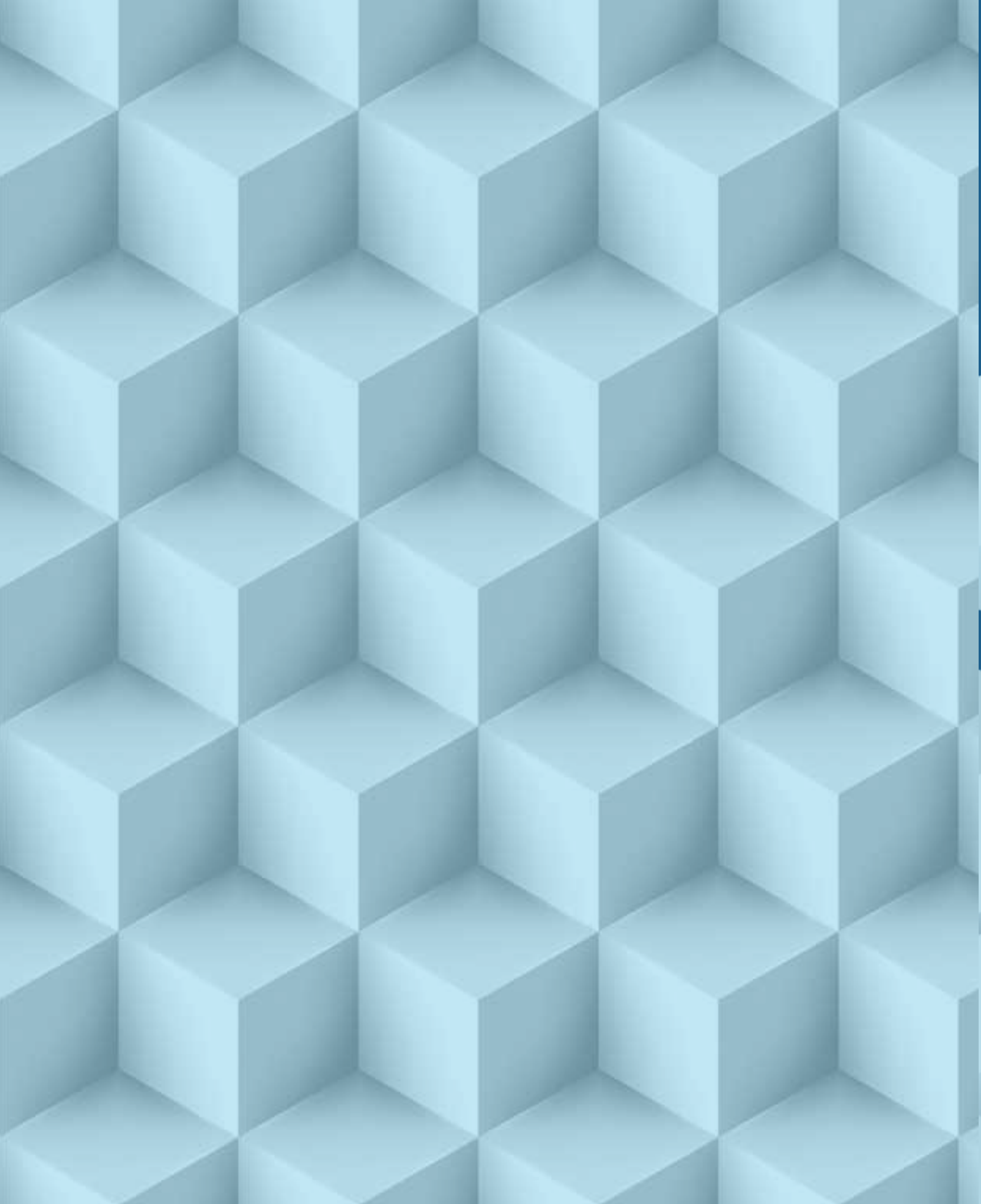
Announcements and warning messages received from USOM and decided to be announced to the banking industry as Industrial SOME or Corporate SOME were notified and the measures taken by the institutions were reviewed.

**Table 5: Information Systems Audit Report**

Scope of Audit	2015	2016
<b>Performed by Independent Audit Institutions</b>		
Information Systems+Banking/Business Processes	50	5
Banking/Business Processes	4	50
Information Systems+Banking Processes (Consolidated- Audit)	25	26
<b>Performed by Agency Staff</b>		
Scheduled Audit	7*	1
Special Scope	2*	4
Operation License	1	-
<b>Total</b>	<b>89</b>	<b>86</b>

\*Both scheduled and special audits were performed at a bank.

Independent Audit Tracking System (BADES) is efficiently used with all its functions and findings of independent audits and leak test results are tracked from BADES.



# OVERSIGHT ACTIVITIES



## SURVEILLANCE ACTIVITIES

Within the scope of surveillance activities, the banks are monitored through quarterly, monthly, weekly and daily procedures with a risk-focused approach and compliance with the applicable limits was

Oversight activities include monitoring the development and compliance of financial and other indicators on banks and the banking industry based on the Agency's web site, data provided by other institutions within the frame of bilateral agreements, audit reports and other internal/external information sources as well as the risks and analyzing them within the frame of macroeconomic developments and policies. Stress test results and the effects of current and potential risks were evaluated and the possible reactions of banks and the industry are estimated. In this sense, periodic bank and industry reports, researches and information notes are submitted to the relevant units and top management.

All oversight activities are now organized by Audit IV Directorate as per the Prime Ministry Approval 12551 dated 13/03/2013 to strengthen the oversight function, increase its effectiveness and ensure sustainability, coordination and standardization. With this organizational change, oversight activities performed by various Audit Directorates were collected under Audit IV Directorate and BDDK audit structure was further strengthened and sustainability, coordination and standardization of oversight activities were ensured.

Within the scope of surveillance activities:

- Stress tests and scenario analyses,
- Follow up and evaluation of the change in financial structure and performance with periodic reports,
- Follow up of ratings using the previous on-site audit results and current data,

- Ensuring on-time detection of the change in financial structure and performance through early alarm systems,
- Bank-based oversight activities,
- Industry and institution-based follow up and analyses of financial institutions,
- Notification of relevant units on non-compliance and reporting errors detected through institution reports,
- Regulatory compliance analysis,
- Analysis of the impact of regulations,
- Other oversight activities are handled.

Within the scope of surveillance activities, staff members responsible for oversight of banks create reports, information notes and opinion papers for each bank, the banks and the legal limits set forth by the regulations are closely monitored with quarterly, monthly, weekly and daily reviews with a risk-based approach. Financial performances of banks are compared and their position within the system is considered through bank-based rating/sorting activities and bank-based detailed industrial reports.

In 2016, 1458 bank-based reports were created including 42 monthly and 754 weekly reports.

**Table 6: Bank Oversight Reports**

Type of Report	2016
Monthly Report	42
Weekly Report	754
Legal Limits Report	405
Monthly Ratio Report	257
<b>Total</b>	<b>1,458</b>

As part of sector oversight activities; oversight reports, information notes and presentations are prepared on various subjects including market developments, key indicators, loans, derivatives, stress test, etc. on a weekly, monthly, quarterly, biannual and annual basis. The sector reports which address the banking sector from various perspectives analyze changes and current developments in a detailed manner.

In this framework, a total of 129 reports, information notes and presentations were prepared in 2016.

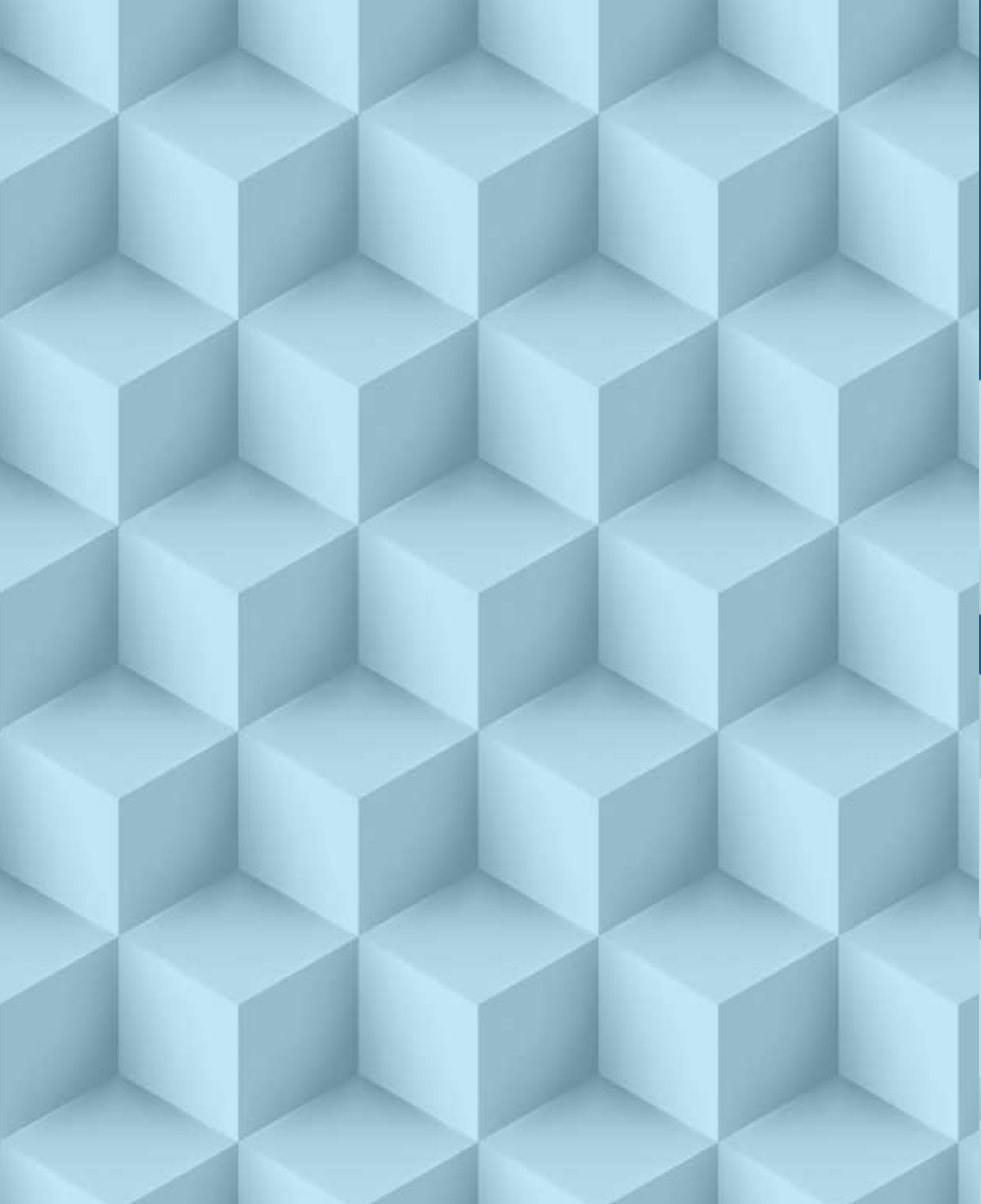
**Table 7: Sector Reports**

<b>Type of Report*</b>	<b>2016</b>
Weekly Presentation	51
Weekly Report	23
Turkish Banking System Main Indicators Presentation	12
Credits Report	7
Stress Test Report	2
KKB Report on Individual Loan Rating Results	2
Other Reports & Studies	32
<b>Total</b>	<b>129</b>

\* The table provides a general idea about the reports. Certain reports are combined and their frequencies are changes as necessary within the period.

The bank-level surveillance reports and sector surveillance reports complete each other and ensure the evaluation of both the potential of the banking system and the identification of risks on a micro and macro level through a proactive approach. In this scope, the risk and resilience levels of banks and the banking system are analyzed through stress tests. As a very critical instrument for testing the resilience of Turkish Banking Sector against unforeseeable but potential macroeconomic risks, stress tests also serve as an early warning system. As required by new methods and approaches, stress test efforts are currently in progress.

Besides surveillance activities, the Board Chairman and Members are continuously informed on developments in the banking sector through presentations and information notes, opinion requests are met, various working groups are actively participated, and information requests of other public institutions are met. In addition, the Agency participates in meetings with rating institutions, foreign investors and other authorities and thus contributes to the promotion of the finance system and the sector by representation.



# ENFORCEMENT ACTIVITIES





## ENFORCEMENT ACTIVITIES

### Permission and Authorization Activities

#### ► Establishment & Operation Permits and Authorization Procedures

As part of establishment, operation and authorization procedures, the Agency reviews, evaluates and concludes the applications filed by banks and non-bank financial institutions covered by the mandate of the Agency, as well as independent audit, valuation and rating institutions on matters subject to permit pursuant to Banking Law and the applicable legislation.

In this framework;

- Establishment, operation, share transfer, merger, transfer, branch and representative's office opening permits are issued for banks, and the referred permits other than representative's office opening permit are issued for non-bank financial institutions, namely financial leasing, factoring and financing companies,
- The procedures for capital increase requests of banks and financial leasing, factoring and financing companies are completed,
- Amendments to articles of association are evaluated within the framework of legislation.

Furthermore,

- The procedures for authorization of institutions to provide valuation, rating and independent audit services to banks, and the establishment and operation permit applications filed by asset management companies are concluded,
- Whether the executive board members, general managers and deputy general managers to take office in the above-mentioned institutions bear the required qualifications is evaluated,
- Authorization procedures are carried out for institutions covered by Bank Cards and Credit Cards Law,
- Electronic money authorization procedures are carried out for payment institutions which will provide payment services and issue electronic money within the scope of Law No. 6493.

In 2016, operation permits were granted for one bank, one financial leasing company, one factoring company, four asset management companies, one valuation company, 19 payment institutions and three electronic money institutions, five valuation companies were authorized and one factoring company was permitted to transform into asset management company.

In 2016, operation permits were issued for one bank, one financial leasing company, one factoring company, four asset management companies, one valuation company, 19 payment institutions and three electronic money institutions, five valuation companies were authorized and one factoring company was permitted to transform into asset management company.

**Table 8: Establishment & Operating Permisssons and Authorization Procedures**

<b>Name of Institution</b>	<b>Type of Procedure</b>	<b>Date and Number of Decision</b>
<b>Banks</b>		
Vakıf Katılım Bankası A.Ş.	Operation License	11/02/2016 - 6729
Bank of China Turkey A.Ş.	Establishment Permit	02/05/2016 - 6880
<b>Financial Leasing Companies</b>		
DRD Finansal Kiralama A.Ş.	Establishment Permit	11/02/2016 - 6728
<b>Factoring Companies</b>		
Burgan Faktoring A.Ş.	Establishment Permit	24/06/2016 - 6919
<b>Financing Companies</b>		
Turkcell Finansman A.Ş.	Operation License	21/01/2016 - 6686
Evkur Finansman A.Ş.	Operation License	28/07/2016 - 6950
<b>Asset Management Companies</b>		
Birleşim Varlık Yönetim A.Ş.	Establishment Permit	24/03/2016 - 6803
Yunus Varlık Yönetim A.Ş.	Establishment Permit	18/02/2016 - 6742
Birikim Varlık Yönetim A.Ş.	Establishment Permit	21/04/2016 - 6858
Çözen Varlık Yönetim A.Ş.	Establishment Permit	23/12/2016 - 7154
Birleşim Varlık Yönetim A.Ş.	Operation License	09/06/2016 - 6907
Yunus Varlık Yönetim A.Ş.	Operation License	14/07/2016 - 6935
Atlas Varlık Yönetim A.Ş.	Operation License	14/01/2016 - 6661
Hedef Varlık Yönetim A.Ş.	Operation License	21/04/2016 - 6859
Met-Ay Faktoring A.Ş.	Permit for Transforming into an Asset Management Company	30/12/2016 - 7162
<b>Valuation Companies</b>		
1A Grup Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Valuation License	31/03/2016 - 6820
Detay Taşınmaz Değerleme ve Danışmanlık A.Ş.	Valuation License	15/12/2016 - 7138
Elma Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Valuation License	18/02/2016 - 6743
Fokus Gayrimenkul Değerleme A.Ş.	Valuation License	18/02/2016 - 6744
Kale Taşınmaz Değerleme ve Danışmanlık A.Ş.	Valuation License	14/01/2016 - 6660
<b>Card System Institutions</b>		
Bankalararası Kart Merkezi A.Ş.	Operation License	31/03/2016 - 6821
<b>Payment Institutions &amp; Electronic Money Institutions</b>		
Elekse Fatura Ödeme Kuruluşu A.Ş.	Operation License	14/01/2016 - 6663
Faturamatik Ödeme Kuruluşu A.Ş.	Operation License	11/02/2016 - 6730
D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş.	Operation License	18/02/2016 - 6732
Pratik İşlem Ödeme Kuruluşu A.Ş.	Operation License	18/02/2016 - 6741
Faturakom Ödeme Hizmetleri A.Ş.	Operation License	31/03/2016 - 6823
Föy Fatura Ödeme Kuruluşu A.Ş.	Operation License	31/03/2016 - 6824
Moka Ödeme Kuruluşu A.Ş.	Operation License	07/04/2016 - 6831
Paytr Ödeme Hizmetleri A.Ş.	Operation License	21/04/2016 - 6860
Paytrek Ödeme Kuruluşu Hizmetleri A.Ş.	Operation License	21/04/2016 - 6861
Papara Elektronik Para ve Ödeme Hizmetleri A.Ş.	Operation License	21/04/2016 - 6862
Trend Ödeme Kuruluşu A.Ş.	Operation License	28/04/2016 - 6864
İyzico Ödeme Hizmetleri A.Ş.	Operation License	30/06/2016 - 6930
Paynet Ödeme Hizmetleri A.Ş.	Operation License	05/08/2016 - 6973
Turkcell Ödeme Hizmetleri A.Ş.	Operation License	12/08/2016 - 6984
Nestpay Ödeme Hizmetleri A.Ş.	Operation License	18/08/2016 - 6992
Payu Ödeme Kuruluşu A.Ş.	Operation License	26/08/2016 - 7001
Telera Ödeme Kuruluşu A.Ş.	Operation License	06/09/2016 - 7010
Wirecard Ödeme ve Elektronik Para Hizmetleri A.Ş.	Operation License	29/09/2016 - 7026
TT Ödeme Hizmetleri A.Ş.	Operation License	30/12/2016 - 7163
Moneygram Turkey Ödeme Hizmetleri A.Ş.	Operation License	30/12/2016 - 7164
Misyon Ödeme Hizmetleri A.Ş.	Operation License	30/12/2016 - 7165
Tam Fatura Ödeme Hizmetleri A.Ş.	Operation License	30/12/2016 - 7166

## ENFORCEMENT ACTIVITIES

On the other hand, the licenses of one bank, four factoring companies; and one asset management company were cancelled for various reasons.

**Table 9: Revoke of Operating Permissions and Authorizations**

Name of Institution	Grounds for Cancellation	Date and Number of Decision
<b>Banks</b>		
Asya Katılım Bankası A.Ş.	Transfer to TMSF	22/07/2016 - 6947
<b>Financial Leasing Companies</b>		
Harman Finansal Kiralama A.Ş.	Own Request	18/02/2016 - 6746
Bilmar Finansal Kiralama A.Ş.	Uninterrupted suspension of activities	31/03/2016 - 6817
DRD Finansal Kiralama A.Ş.	Own Request	05/08/2016 - 6975
Smart Finansal Kiralama A.Ş.	Own Request	03/11/2016 - 7064
<b>Factoring Companies</b>		
Değer Faktoring A.Ş.	Own Request	14/01/2016 - 6659
Met-Ay Faktoring A.Ş.	Own Request	04/02/2016 - 6709
Erişim Faktoring A.Ş.	Transfer/Merger	11/02/2016 - 6727
ACL Faktoring A.Ş.	Own Request	18/08/2016 - 6990
<b>Asset Management Companies</b>		
Artı Varlık Yönetim A.Ş.	Own Request	27/10/2016 - 7057

As of the end of 2016, 13 permit and authorization requests are being evaluated by the Agency.

**Table 10: Permit and Authorization Requests Under Evaluation**

Company	Type of Procedure	2015	2016
Bank	Application for Establishment/Operation License / Request for Authorization	1	1
Factoring Company	Application for Establishment/Operation License	-	1
Financing Company	Application for Establishment/Operation License	-	1
Independent Auditor Company	Request for Authorization	-	-
Valuation Company	Request for Authorization	4	4
Card System Institution		1	-
Rating Company	Request for Authorization	-	-
Asset Management Company	Application for Establishment/Operation License	6	5
Foreign Bank	Request for Opening a Representative's Office	1	1
Bank Established Abroad	Request for Opening a Branch	-	-
<b>Total</b>		<b>13</b>	<b>13</b>

### ► Permissions for Share Transfer, Merger and Division

In 2016, various permits for share transfer were granted for institutions covered by the Law, through Board decisions detailed below, within the framework the provisions of applicable legislation.

**1-** With the Board Decision 6644 dated 07.01.2016, Anadolu Endüstri Holding A.Ş. and Anadolu Aktif Teşebbüs ve Makine Ticaret A.Ş. were merged, Anadolu Aktif Teşebbüs ve Makine Ticaret A.Ş. acquired 7.79% of Alternatif Bank A.Ş. shares and its direct shares in the bank increased to 25% from 17.21%.

**2-** With the Board Decision 7006 dated 06.09.2016, BTA Securities JSC's direct shares in Şekerbank T.A.Ş. capital decreased to 1.48% from 10.91% and JSC's indirect share of the Bank's capital decreased below 10%.

**3-** With the Board Decision 6833 dated 07.04.2016, 82.23% shares owned by National Bank of Greece S.A., 7.90% shares owned by NBGI Holdings B.V. and 9.68% shares owned by NBG Finance (Dollar) PLC of the QNB Finansbank A.Ş. capital were transferred to Qatar National Bank S.A.Q. and; The Banks shares are now distributed as 99.81% direct shares by Qatar National Bank S.A.Q., 49.90% indirect shares by Qatar Holding LLC, 49.90% indirect shares by Qatar Investment Authority, 49.90% indirect shares by Qatar State Bank, and the share of National Bank of Greece S.A. decreased to 0% from 82.23%.

**4-** With the Board Decision 7045 dated 20.10.2016, Commercial Bank's direct share in Alternatifbank A.Ş. increased to 100%, Anadolu Endüstri Holding A.Ş.'s direct share decreased to 0% from 25% and Yazıcılar Holding's indirect share decreased to 0% from 17%.

**5-** With the Board Decision 6917 dated 24.06.2016, Koç Holding A.Ş.'s indirect share in Yapı ve Kredi Bankası A.Ş. increased to 35.39% from 32.89%.

**6-** With the Board Decision 7014 dated 09.09.2016, UniCredit Bank Austria's indirect share in Yapı ve Kredi Bankası A.Ş. decreased to 0% from 40.9%, UniCredit Bank Austria's direct share in Koç Finansal Hizmetler A.Ş. decreased to 0% from 50%, and UniCredit SpA was permitted to have a 50% direct share in Koç Finansal Hizmetler A.Ş.

**7-** With the Board Decision 7151 dated 15.12.2016, Birleşim Varlık Yönetim A.Ş. was permitted to acquire 100% of RCT Varlık Yönetim A.Ş. shares as per Article 7 Paragraph (2) of Regulation on Principles of Establishment and Operation of Asset Management

Companies, RCT Varlık Yönetim A.Ş. was transferred to Birleşim Varlık Yönetim A.Ş. with all its rights, receivables and liabilities and RCT Varlık Yönetim A.Ş. was terminated without liquidation in line with the Turkish Commercial Code 6102, Law 4054 on Protection of Competition and other applicable regulations.

**8-** With the Board Decision 6936 dated 14/07/2016, Sümer Varlık Yönetim A.Ş. shares which are 30% owned by Sofu Altınbaş, 20% owned by Vakkas Altınbaş, and 10% owned by Orkun Altınbaş, Mehmet Altınbaş, Fatma Altınbaş, Aliye Altınbaş, Sedef Akacan were transferred to ASV Holding A.Ş. as per Articles 5 and 7 of Regulation on Principles of Establishment and Operation of Asset Management Companies.

**9-** With the Board Decision 7155 dated 23.12.2016, Destek Varlık Yönetim A.Ş. shares of 74.97% owned by Deniz Yatırım Menkul Kıymetler A.Ş. were transferred with the distribution 49/98% to Lider Faktoring A.Ş., 24.99% to Merkez Faktoring A.Ş., shares of 25% owned Ekspres Yatırım Menkul Değerler A.Ş. were transferred with the distribution of 24.99% to Merkez Faktoring A.Ş., 0.01% to Nedim Menda, shares of 0.01% owned by Deniz Finansal Kiralama A.Ş. were transferred to Jak Sucuz, shares of 0.01% owned by Deniz Faktoring A.Ş. were transferred to N. Bahri Uğraş, shares of 0.01% owned by Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. were transferred to Erhan Özçelik with the provisions of other applicable regulations reserved and as per Articles 5 and 7 of Regulation on Principles of Establishment and Operation of Asset Management Companies.

**10-** With the Board Decision 6909 dated 16.06.2016, İstanbul Varlık Yönetim A.Ş. shares of 99.99996 owned by Ünlü Menkul Değerler A.Ş. and shares of 0.00004% owned by Mahmut Levent Ünlü, Tahir Selçuk Tunalı, Gülay Zora and İbrahim Romano were transferred to Ünlü Yatırım Holding A.Ş. as per Articles 5 and 7 of Regulation on Principles of Establishment and Operation of Asset Management Companies.

**11-** With the Board Decision 6991 dated 18.08.2016, Atlas Varlık Yönetim A.Ş. shares of 99.99996 owned by AEH Sigorta Acenteliği A.Ş. were transferred to Turkasset Varlık Yönetim A.Ş.; shares of 0.00001% owned by Anadolu Araçlar Ticaret A.Ş., Keyif Yiyecek Eğlence Hizmetleri A.Ş., Anadolu Otomotiv Dış Tic. ve San. A.Ş. and Efestur Turizm İşletmeleri A.Ş. were transferred to Hilmi Güvenal, İsak Antika, Mehmet Murat Çavuşoğlu and İlker Tekten with the provisions of other applicable regulations reserved and as per Articles 5 and 7 of Regulation on Principles of Establishment and Operation of Asset Management Companies.

## ENFORCEMENT ACTIVITIES

**12-** With the Board Decision 6645 dated 07.01.2016; Mert Gocay's share in Atak Faktoring A.Ş. capital was increased to 59.8% from 9% with the provisions of other applicable regulations reserved and as per Article 11 of Law 6361 on Financial Leasing, Factoring and Financing Companies.

**13-** With the Board Decision 6726 dated 11.02.2016, Haliç Finansal Kiralama A.Ş. shares of 99% were acquired by İjara Management Company with the provisions of other applicable regulations reserved and as per Article 11 of Law 6361 on Financial Leasing, Factoring and Financing Companies.

**14-** With the Board Decision 6727 dated 11.02.2016, Erişim Faktoring A.Ş. was transferred to and merged under Merkez Faktoring A.Ş. in line with Law 4054 on Protection of Competition and other applicable regulations and as per Article 12 Paragraph (1) of Law 6361 on Financial Leasing, Factoring and Financing Companies.

**15-** With the Board Decision 6833 dated 07.04.2016, FinansBank A.Ş. (Bank) shares of 99.81% were acquired by Qatar National Bank S.A.Q. (QNB) and the control of the Bank which is the controlling shareholder of Finans Finansal Kiralama A.Ş., Finans Faktoring A.Ş., Hemenal Finansman A.Ş. was changed in favor of QNB in line with Article 11 Paragraph (3) of Law 6361.

**16-** With the Board Decision 6906 dated 09.06.2016, Haliç Finansal Kiralama A.Ş. shares of 33% were acquired by Islamic Corporation For The Development Of The Private Sector, 32% were acquired by Aktif Yatırım Bankası A.Ş. with the relevant provisions of the applicable regulations reserved and as per Article 11 of Law 6361.

**17-** With the Board Decision 6927 dated 30.06.2016, Sümer Faktoring A.Ş. shares of 94% were acquired by ASV Holding A.Ş.

with the relevant provisions of the applicable regulations reserved and as per Article 11 of Law 6361.

**18-** With the Board Decision 6951 dated 28.07.2016, following the decease of Yuda Elenkave who owned 28.5% shares of Lider Faktoring (Company) and as a result of heritage procedures, the shares of the deceased's wife Raşel Elenkave increased to 12.23% from 5.1% and Raşel Elenkave and the deceased's children Refka B. Adato, Lizet Sucuz and Judit Menda own the shares with the privilege of assigning board members with the relevant provisions of the applicable regulations reserved and as per Article 11 of Law 6361.

**19-** With the Board Decision 7093 dated 16.11.2016, Destek Yatırım Menkul Değerler A.Ş. was transferred to Klan Yatırım Holding A.Ş. as in-kind capital over the book value in Destek Faktoring A.Ş. (Company) financial tables dated 30.06.2016 and the Company was partially demerged with the relevant provisions of the Capital Markets Law, Turkish Commercial Code and other applicable regulations reserved and as per Article 12 Paragraph (1) of Law No. 6361.

**20-** With the Board Decision 7025 dated 29.09.2016 and in line with Article 25 Paragraph (1) of Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions, BPN Ödeme Kuruluşu A.Ş. direct shares owned by C&C Varvias Holding Societe Anonyme and Worldbridge Payment Services Societe Anonyme were decreased to 0% from 30% and 10% respectively and Cosmosbridge Ltd acquired 40% of the Company's direct shares.

### ► Cross-Border Operation, Representative's Office and Branch Opening Permissions

In 2016, two banks were permitted to open overseas branches.

**Table 11: Acquisition of Joint Ventures / Opening Branches / Offices Abroad**

Bank Name	Country - Procedure	Date - Number	Date of Activity
Denizbank A.Ş.	TRNC - Branch	30/12/2016 - 7161	-
T. Halk Bankası A.Ş.	TRNC - Branch	15/12/2016 - 7141	-

In 2016, a foreign bank was permitted to open a representative office in Turkey and Bank of Bahrain and Kuwait Office in Turkey started its operations within the year.

**Table 12: Banks Established Abroad and Permitted to Open Offices**

Bank Name	Country of Origin	Date - Number	Date of Activity
Bank of Bahrain and Kuwait	Bahrain	14/01/2016 - 6662	25/04/2016

On the other hand, Banco Bilbao Vizcaya Argentaria S.A. (BBVA) Credit Europe Bank (Suisse) S.A., Banque Internationale De Commerce-BRED Turkey Offices terminated operations in 2016.

## 6.2. Evaluation and Enforcement Activities

Within the scope of evaluation and enforcement activities and to ensure that institution operate in line with the applicable legislation;

- Reports produced from the results of on-site audit and oversight activities and
- Information and documents from banks, non-bank financial institutions, independent audit institutions, and other persons, entities and institutions are evaluated together.

As a result of evaluations;

- The measures decided are notified to related institutions for necessary action, and are also taken into account in audit and oversight activities,
- Necessary administrative procedures are executed in relation to notices and complaints about institutions and subjects covered by the Banking Law, within the framework of the applicable legislation.

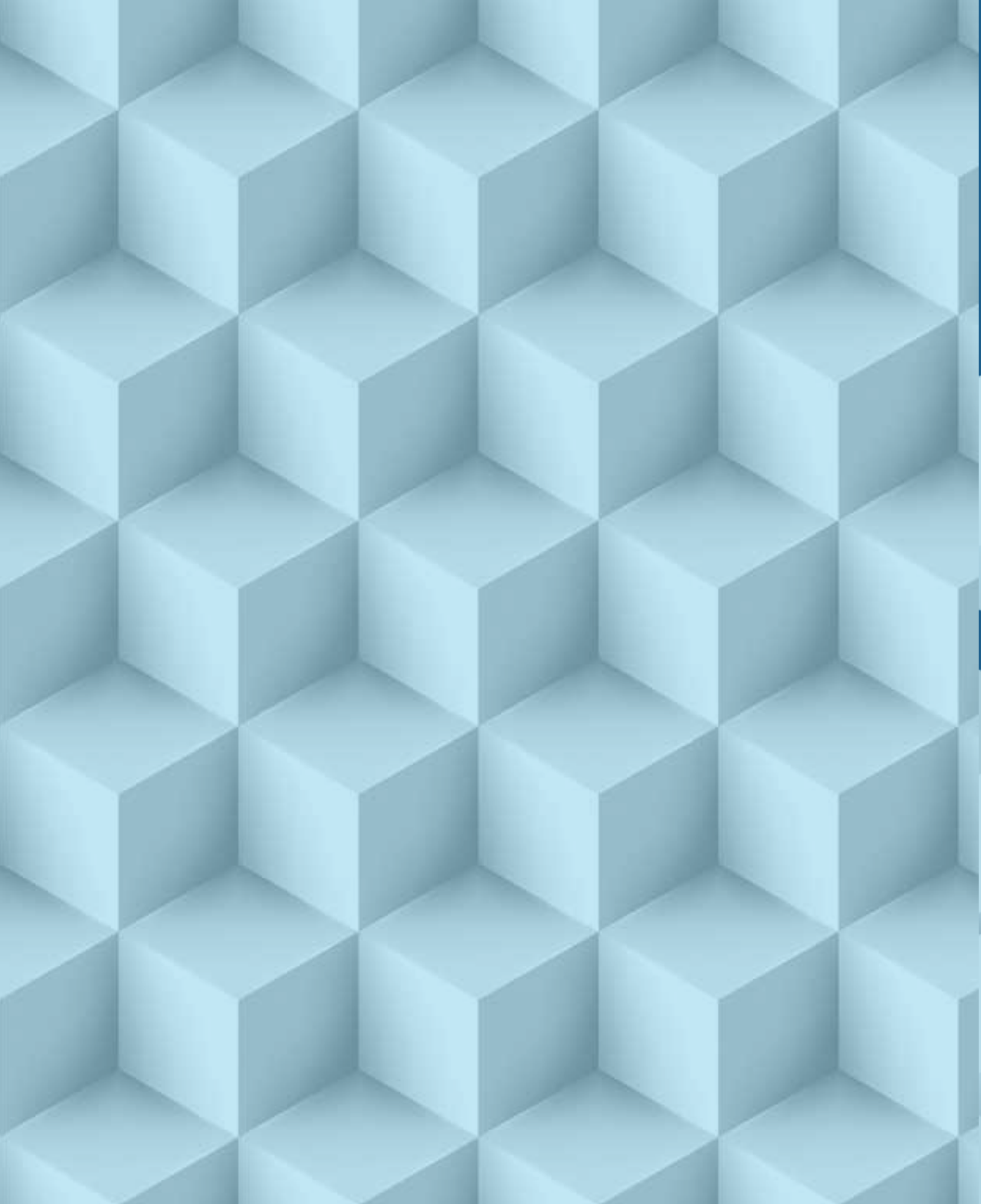
As a result of the audit and oversight activities and the assessment of notifications and complaints in 2016 and within the frame of Banking Law 5411 and Financial Leasing, Factoring and Financing Companies Law 6361; the official complaints included six on unauthorized operations, two on preventing the use of the rights of deposit and participation fund owners, two on disclosure of trade secrets, nine on malversation, four on misrepresentation, 14 on failing to take regulating, improving and limiting measures, and one on failing to provide information and documentation requested by official authorities and preventing them from performing their tasks. Signature authorities of 25 bank employees were temporarily revoked.

A total of 572 administrative fines were imposed including 523 to banks, 26 to financial leasing, factoring and financing companies, 16 to independent audit companies, 2 to asset management companies, 1 to a payment institution, 4 to information exchange companies.

**Table 13: Distribution of Administrative Fines**

Institution	2016	
	Number	Share %
Banks	523	91.4
Deposit and Participation Banks	488	85.3
Development and Investment Banks	35	6.1
Representatives of Foreign Bank	0	0.0
Financial Leasing, Factoring & Financing Companies	26	4.5
Independent Audit Companies	16	2.8
Valuation Companies	0	0.0
Asset Management Companies	2	0.3
Payment Institutions & Electronic Money Institutions	1	0.2
Other	4	0.7
<b>Total</b>	<b>572</b>	<b>100.0</b>







# PROTECTION OF FINANCIAL CONSUMER



## PROTECTION OF FINANCIAL CONSUMER

With the entry into force of Law No. 6502 on Protection of Consumers on 28/05/2014, Law No. 4077 on Protection of Consumers dated 1995 which was the first general national legislation on protection of consumers was including special provisions on financial products and services was revoked. On the other hand, the social liability to protect the financial consumers has a functional distribution among banking, capital markets, insurance and payment systems and an administrative structure committed to protection of finance consumers is not available.

Department of Financial Consumer Relations established at the agency to work on protection of financial consumers continues to work on audit, regulation and implementation issues in line with Article 19 of the Regulation on the Organization of Banking Regulation and Supervision Agency. To solve the complaints of financial consumers, complaint and requests received by the Agency in 2016 were preliminarily reviewed by the Department of Financial Consumer Relations and notified to the bank or institution unions in line with Article 16 of the Regulation on Principles and Procedures Regarding the Audit Performed by Banking Regulation and Supervision Agency and Law No. 3071 on Use of Petition Rights. On the other hand, complaints are reviewed and reports are created by Agency staff where an audit by the Agency is deemed required. In 2016, audit of sector implementations regarding the financial consumers continued and the Agency imposed total administrative fines of TL 2,547,581 to the banks.

Regulation on Principles and Procedures Regarding the Charges Applicable to Financial Consumers (Regulation on Charges) which was made effective on 03/10/2014 was drafted based on the authorization granted to the Agency by Law No. 6502. The Regulation on Charges lists the charges applicable to financial consumers for the products and services offered by banks and financial consumers. A module titled "Banking Products and Services" was added to the Agency's web site listing the non-interest elements and government withholding including fees, charges and commissions collected by the banks for the services offered to individual customers (cash transfer procedures, individual loans, credit cards and debit cards, deposit accounts, use of ATM, safe deposit box fees, securities transactions, cheque and bond procedures). Efforts are ongoing to develop an announcement format to provide clear and comparable information in a single format.

Administrative procedures regarding the instances of non-compliance within the scope of the Regulation of Charges are performed in coordination with the Ministry of Customs and Trade

and any requirement for imposing an administrative fee is notified to the Ministry while the administrative processes which require refund of charges to the consumers are handled by the Agency.

After the enforcement of Regulation of Charges on 03.10.2014, an annual workshop is organized by the Ministry of Customs and Trade and Turkish Banks Association (TTB) to discuss the applicable legislation, implementations, problems and proposed solutions related with financial consumers. In 2016, the Agency actively participated the workshop and informed the participants on amendment of regulations on financial consumers as well as their impact on the finance industry and financial consumers.

Article 80 Clause (j) of the Banking Law 5411 requires the formation of an arbitration commission by these unions for assessment and settlement of disputes which arise between TBB and TKBB member banks and their customers. In this sense, "Communiqué on Formation of the Customer Complaint Arbitration Council and Methods and Principles of Operation" which came into force on 14.05.2013 regulates that a representative from the Agency will be available in the arbitrators commission. This communiqué was amended in 2016 with the approval of the Agency to meet the requirements faced in practice.

Complaints handled by the Customer Complaint Arbitrators Commissions mostly consist of internet purchases made without knowledge or confirmation of the card holder through fraudulent seizure of card data and therefore, use of credit and debit cards on internet is subject to the approval of the card holder based on a decision by the Banking Regulatory and Supervision Board dated October 20, 2016 to prevent financial consumers from such fraud. If the customer does not make a request, the card will not be issued or left available for purchases via internet. Upon this Board Decision, the requests were taken from customers who do not use their credit cards for internet purchases or even are not aware that their card is open for online shopping to increase the awareness of card holders, ensure that they make informed decisions on this issue and prevent any abuse by defrauders.

The e-complaint system managed by the Agency for swift and effective handling of proposals, complaints and issues raised by the applicants was improved considering the user requests. Following the improvement activities performed in 2016, the e-complaint system continued to operate without any problem. Through this system, complaints and issues raised by the applicants are notified to the relevant banks and the banks are instructed to solve the issue and inform the customer.

The Agency's Call Center which became operational in 2014 continued to operate in 2016. The call center is in direct contact with financial consumers to provide preliminary information on the issue, guide them to the relevant organization or institution if the issue is not related with the Agency, register the relevant complaints in the system and solve them as soon as possible. The call center tender was renewed in November 2016 and the call center responded to average 3,100 calls per month in 2016.

Notifications and complaints received by the Agency in 2016 were reviewed within the scope of the banking legislation. The Agency takes written complaints through 5 channels including the Information Acquisition System, petition, e-complaint, Presidency Center for Communication (CIMER) and Prime Ministry Center for Communication (BİMER). The number of applications received by the Agency through these channels increased by 54% from 35,070 in 2015 to 54,169 in 2016. The channel-based distribution of complaints received by the Agency through these channels in 2016 is given in the table below.

In 2016, audit of sector implementations regarding the financial consumers continued and the Agency imposed total administrative fines of TL 2,547,581 to the banks.

**Table 14: Distribution of Notices & Complaints Submitted to the Agency by Channels**

Complaint Channels	2016	
	Number	Share %
Information Acquisition System	4,434	8.1
Petition	4,981	9.1
E-Complaint	22,502	41.5
CIMER	2,681	4.9
BİMER	19,571	36.1
<b>Total</b>	<b>54,169</b>	<b>100.0</b>

Looking at the distribution in the table, e-complaint channel opened by the Agency in 2014 is the most frequently used channel. 41.5% of 54,169 complaints were received through e-complaint. The second most frequently use channel is BİMER with 36%.

Subject-based distribution of complaints received through CIMER and BİMER is different than the complaints directly received through the information acquisition system, e-complaint and petition. 30% of

the complaints received through CIMER and BİMER are about the liquidation process of Asya Katılım Bankası A.Ş. 20% is about the solution of problems regarding the restructuring of loans.

Subject-based distribution of complaints directly received through Information Acquisition System, petition and e-complaints is given in the table below.

## PROTECTION OF FINANCIAL CONSUMER

**Table 15: Distribution of Notices & Complaints Submitted to the Agency by Subject**

Subject of Complaint and Request	Information Acquisition System	Petition	E-Complaint	Total Number	Share %
<b>Loans</b>	<b>1,497</b>	<b>1,672</b>	<b>7,568</b>	<b>10,737</b>	<b>33.6</b>
a) Objections to Interest, Fees, Charges and Commissions	248	307	1,770	2,325	7.3
b) Issues on Information/Document Requests	60	51	203	314	1.0
c) Issues on Early Payment & Restructuring of Loan	602	679	1,854	3,135	9.8
d) Other	587	635	3,741	4,963	15.5
<b>Bank &amp; Credit Cards</b>	<b>593</b>	<b>756</b>	<b>7,252</b>	<b>8,601</b>	<b>26.9</b>
a) Credit Card Fee	75	93	1,095	1,263	4.0
b) Other Charges & Interests	9	12	641	662	2.1
c) Objections to Expenditures and Loss, Theft, Fraud	44	160	1,225	1,429	4.5
d) Campaigns, Promotions & Bonus Points	3	5	343	351	1.1
e) Courier Services	13	45	-	58	0.2
f) Complaints on Issue of Account Statement	15	33	135	183	0.6
g) Failure to Meet Termination Requests	7	20	278	305	1.0
h) Issue of Card Without Request	6	19	192	217	0.7
i) Limit Problems	10	2	56	68	0.2
j) Other	411	367	3,287	4,065	12.7
<b>Alternative Distribution Channels</b>	<b>129</b>	<b>73</b>	<b>1,149</b>	<b>1,351</b>	<b>4.2</b>
a) ATM Services	39	27	1,149	1,215	3.8
b) Internet and Mobile Banking	4	10	-	14	0.0
c) Telephone Banking	-	1	-	1	0.0
d) Other	86	35	-	121	0.4
<b>Deposit/Participation Fund Procedures</b>	<b>403</b>	<b>645</b>	<b>2,724</b>	<b>3,772</b>	<b>11.8</b>
a) Account Maintenance Fee	29	29	239	297	0.9
b) Blocking of Account	81	193	434	708	2.2
c) Closure of Account	9	11	191	211	0.7
d) Other	284	412	1,860	2,556	8.0
<b>Overdraft Account Procedures</b>	<b>27</b>	<b>42</b>	<b>2,839</b>	<b>2,908</b>	<b>9.1</b>
a) Issue of Overdraft Account Without Request	12	-	597	609	1.9
b) Failure to Close Overdraft Account	-	-	172	172	0.5
c) Other	15	42	2,070	2,127	6.7
<b>Insurance Procedures</b>	<b>99</b>	<b>212</b>	<b>930</b>	<b>1,241</b>	<b>3.9</b>
<b>Investment Products and Services</b>	<b>2</b>	<b>23</b>	<b>-</b>	<b>25</b>	<b>0.1</b>
<b>Request of Information on the Agency's Regulations</b>	<b>267</b>	<b>77</b>	<b>-</b>	<b>344</b>	<b>1.1</b>
<b>Request of Information &amp; Documents from the Agency</b>	<b>453</b>	<b>91</b>	<b>-</b>	<b>544</b>	<b>1.7</b>
<b>Complaints on Issues Not Covered by the Agency</b>	<b>326</b>	<b>536</b>	<b>40</b>	<b>902</b>	<b>2.8</b>
<b>Complaints on Banks Transferred to the Fund</b>	<b>447</b>	<b>570</b>	<b>-</b>	<b>1,017</b>	<b>3.2</b>
<b>Complaints on Non-bank Finance Institutions</b>	<b>191</b>	<b>284</b>	<b>-</b>	<b>475</b>	<b>1.5</b>
<b>Total</b>	<b>4,434</b>	<b>4,981</b>	<b>22,502</b>	<b>31,917</b>	<b>100.0</b>

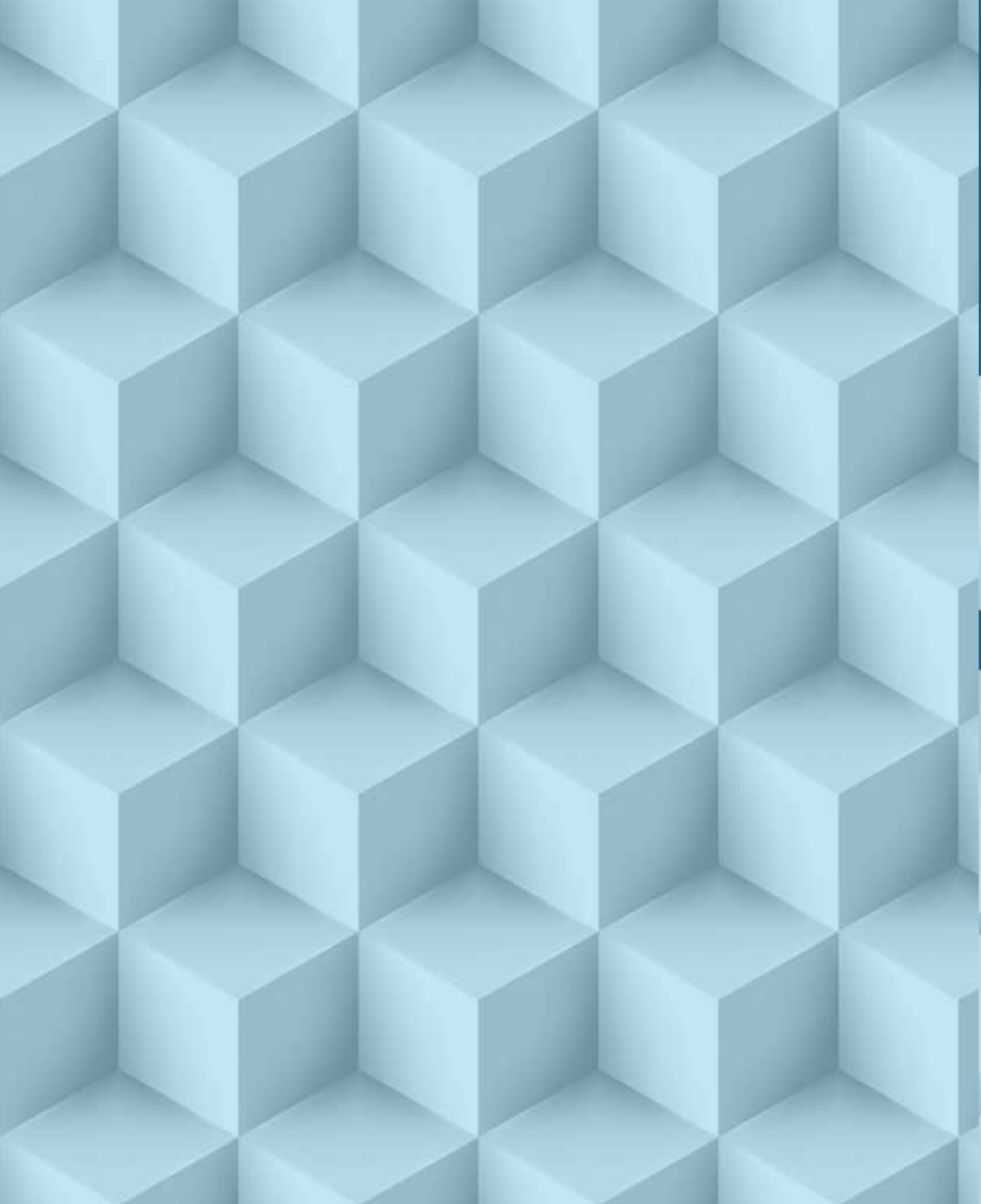
## Notifications, complaints and applications on individual products and services and review requests made by the authorities are handled by the Department of Financial Consumer Relations.

In 2016, 31,917 of 54,169 complaints received by the Agency were directly received through Information Acquisition System, petition and e-complaint. The distribution of 31,917 complaints is loans by 33.6%, bank and credit cards by 26.9% and deposit and participation fund procedures by 11.8% and overdraft account procedures by 9.1%. The distribution of complaints on loans is early payment restructuring (9.8%) and objections to interest, charge, fee and commission amounts (7.3%). Another important issue after the loans is the credit cards including credit card fees, objections to expenditures, losses and fraud with a total share of 4% and 4.5% respectively.

Notifications, complaints and applications on individual products and services and review requests made by the authorities are handled by the Department of Financial Consumer Relations. 157 reports and 21 settlements were drafted after the audits in 2016.

**Table 16: Results of Surveys Conducted by the Financial Consumer Relations Department**

<b>Review Results</b>	<b>2015</b>	<b>2016</b>
Report	178	157
Opinion	38	21



# INFORMATION MANAGEMENT SYSTEMS





## MANAGEMENT INFORMATION SYSTEMS

Management information system activities include systematic acquisition, analyze and evaluation of information on Agency's activities and clear transfer to any user in need in a timely manner.

### Data and System Management

Within the scope of data and system management activities, efficiency and diversity of applications which support the Agency's functions were increased.

▶ **Electronic Document Management System (eBYS):** Corporate documentation processes are handled via eBYS in digital format and with e-signatures. All corporate documents (except for certain financial documents) are prepared and signed in digital format.

Software improvement/development activities based on requests by the Agency personnel continued in 2016 and improvements were regularly implemented to the system.

▶ **Information Exchange with Other Institutions and Organizations:** In 2016, activities for meeting the data requests by other institutions and organizations within the scope of the legislation and bilateral agreements and maintenance of the relevant systems continued.

▶ **E-Complaint:** E-Complaint application which was taken into use in December 2014 was updated in line with the requests by complainants, banks and internal users, processes were accelerated and various reporting options were provided.

▶ **Big Data Activities:**

In 2016, corporate data were rehandled within the context of "Big Data" and R&D activities were performed to improve the processes of data processing and accuracy check. The purpose of these efforts is to ensure the scalability of the financial data and provide a fast query process.

In this frame, proof of concept and performance tests were performed on aggregated virtual machines.

▶ **Legal Monitoring System:**

Efforts for the establishment of a Legal Monitoring System for follow up of lawsuits and relevant procedures were concluded in 2016. Application updates are regularly implemented to the system.

▶ **The Project of Transfer of the Agency's IT Systems to the New Service Building in Istanbul:** In 2016, transportation of the Agency's IT systems was scheduled and completed without any problems within the scope of works for leaving Ankara Service Building and moving to Istanbul Service Building.

BVTS Renewal Project: Preliminary works for the project aimed at improving BDDK Banking Data Transfer System (BVTS), automation and integration of the system's business processes and update of software were started in the final quarter of 2016.

The project is currently at the analysis phase and it is schedule as a part of a long-term project consisting of multiple phases.

▶ **Support Services Implementations:** To meet the requests received in 2016, new modules were added to the applications which run on the Agency's intranet and mostly used by Support Services Directorate.

## Public Disclosure Activities

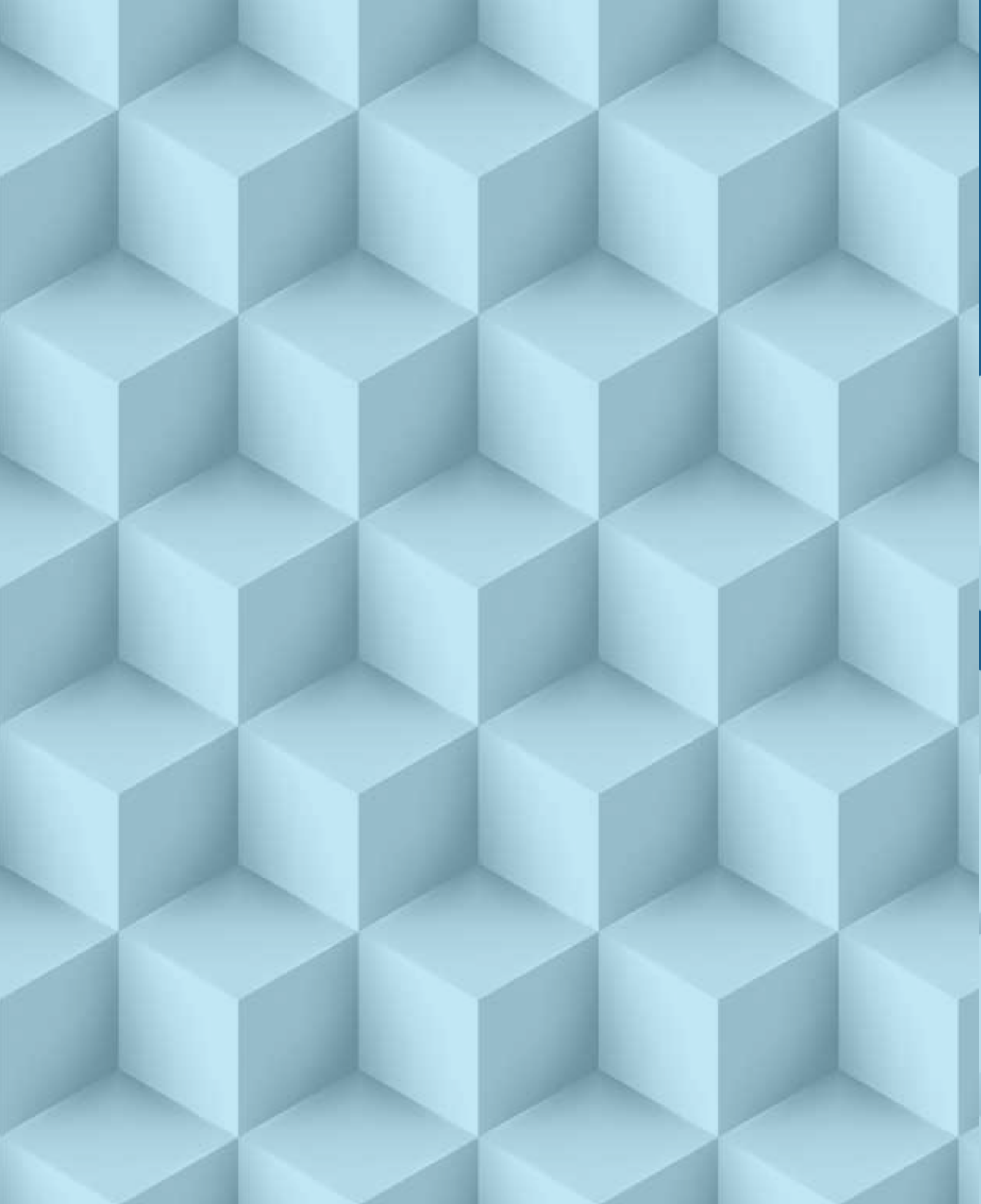
The Agency uses various tools and methods to make regular public disclosures on its activities, specifically regulation and supervision activities, and supports financial transparency. In this sense,

- “National Data Publication Schedule” which lists when and how to publish the statistics included in the Official Statistics Programme (2017 – 2021) and generated under the responsibility of the Agency was updated with 2017 data.
- The Weekly Bulletin application platform on the Agency's web site was revised and taken into use in mid-2016.
- Necessary updates within the scope of data sharing with IMF and IFSB were completed and data were shared. Data were shared also with FSB and World Bank, although not regularly.
- Ministry of Internal Affairs Civil Registration and Citizenship Affairs ID Sharing System (KPS-NVİ): Bilateral agreements for Civil Registration and Citizenship Affairs (NVİ) and ID Sharing System (KPS) were renewed in 2016. Within the frame of the new agreement, the frequency of authorization and security checks regarding the use of the system by NVİ was increased.

Processes for authorization of Agency applications which use KPS services were renewed and internal applications and services were developed for the new processes. The units were informed in written on the covenant which will be received from the users with the new authorization processes. KPS Authorization Request Form and KPS Covenant Form were defined in EBYS for use in new processes. Due to large scale changes made in the

data platform by NVİ in January 2017 in addition to the process changes in KPS applications, developments required to prevent any effect of these changes on other corporate applications which use these services were completed in 2016.

- Test Application form developed for personnel recruitment and used by the Human Resources Unit was improved. Pages were developed for application for recruitment of civil servants for the first time after the Agency was established and revisions and additions were made to ensure easy follow up and management of test processes by the Human Resources Unit.



# COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC



## COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC

### Domestic Organizations

#### Public Institutions and Organizations

Based on Article 98 of Banking Law, views were exchanged and information was shared in 2016 with the Ministry of Development, Ministry of Finance, Undersecretariat of Treasury, CMB, TMSF and Central Bank in order to ensure coordination and cooperation among agencies in executing monetary, credit and banking policies.

Information exchange was made on various issues with other public institutions and organizations including the Ministry of External Affairs, Ministry of Economy and Ministry of European Union.

**Financial Sector Commission (FSK):** FSK was established as per Article 99 of the Banking Law to ensure reliability and stability in the financial markets through information exchange and cooperation and collaboration between institutions, propose shared policies and provide opinions on the future of the finance industry.

FSK consists of representatives from the Ministry of Finance, Ministry of Development, Undersecretariat of Treasury, TCMB, SPK, TMSF, Competition Board, Borsa Istanbul and other relevant institutions, convenes minimum once every six months and submits information on the meeting results to the Council of Ministers as per the provisions of the Law. The Regulation on the Procedure and Principles of the Operations of the Finance Industry Commission requires that the Commission meetings will be held in May and November.

In this framework:

Ordinary meeting of FSK dated 26/05/2016 was held with;

- Evaluation of the developments in the finance industry
- Process of preparation and issue of Protection of Financial Consumers Action Plan

as the agenda.

At the FSK meeting dated 13/12/2016;

- Follow up of developments in the financial markets
- Developments regarding the finance industry
- Growth and employment estimations,

were handled.

The results of both meetings were submitted to the Council of Ministers as per the provisions of the Regulation on the Procedure and Principles of the Operations of the Finance Industry Commission.

**Systemic Risk Evaluation Group (SREG):** In line with Additional Article 4 added to Law No. 4059 on Organization and Responsibilities of Undersecretariat of Treasury with KHK 637, SRDG which was generated with Financial Stability Committee Systemic Risk Evaluation Group Protocol dated 30/10/2012 aims at early detection of developments which may cause systemic risk, taking the necessary measures and improve coordination, cooperation and information sharing between the parties. The Group consists of representatives from the Agency, Undersecretariat of Treasury, TMSF, TCMB and SPK. In 2016, one meeting was held on 04/05/2016 at the Agency and systemic risks related with the financial markets were evaluated at the meeting. Systemic Risk Evaluation Technical Sub-Committee established in 2015 to support the technical efforts of the Group convened before the ordinary meetings of SRDG and supported technical support to the Group. In 2016, it was decided after the May 2016 meeting of the Financial Stability Commission regarding the improvement of SRDG organizational structure that SRDG secretariat will be organized by the Undersecretariat of Treasury.

**Coordination Committee:** The Coordination Committee consisting of the Agency President and Vice Presidents and SDIF President and Vice Presidents pursuant to Article 100 of the Banking Law, is in charge of ensure that maximum cooperation be established between the Agency and the Fund when it is necessary to carry out transactions in the competency of the Fund, with respect to the exchange of information regarding the general status of the banking sector, measures to be taken as a result of the supervision of deposit banks, results of analyses indicating the financial standing of credit institutions to be used in calculating the risk-based insurance premiums, the number of deposit and participation fund accounts, total amount of the insured deposits and participation funds and the total amount of deposits and participation funds in these institutions. The Law provides that the Committee shall convene minimum once every three months, at a frequency to be agreed by the parties and that any of the parties shall provide the information and documents requested by the other parties, within the period to be agreed on. At the quarterly meetings of the Committee in 2016, evaluations and information exchange were made on the general outlook of the banking industry, measures to be taken as a result of credit institution audits, calculation of risk-based insurance premiums and situations which require procedures by TMSF.

#### Criminal and Administrative Judiciary

In 2016, establishment of a Legal Monitoring System was planned

for use by the Directorate with the purposes of defending the Banking Regulation and Supervision Agency and following up and solving all conflicts before administrative and judicial authorities and execution offices, making use of technological developments to meet the emerging needs, registering the lawsuit files on a digital platform, storing the data regularly and accurately, generating reports using the data to ensure instant display of the workload of the Legal Directorate and ensuring that the staff members work effectively and efficiently. Accordingly, certain efforts were made for installation of the Legal Affairs Monitoring System (HTS) for use in following up lawsuits and other procedures and a Legal Monitoring System User License and Software Development Agreement was signed by and between the Agency and Yaz Bilgi Sistemleri ve Tic. A.Ş. using the Direct Procurement Method (22/d).

The responsibilities of the Legal Directorate are defined by Article 20 of the Regulation on the Organization of Banking Regulation and Supervision Agency. In 2016, opinions were provided on any transaction or conflict involving BDDK for follow up, defending and solving of these issues before administrative and criminal judiciary and execution offices and representation of the Agency. Information on lawsuits involving BDDK are classified based on their subjects in the table below.

In 2016, 102 opinions were issued. These opinions are on various subjects including the implementation of the banking regulation, regulation drafts, international agreements signed by and between the Agency and oversight and audit authorities of other countries and personnel implementations.

**Table 17: Suits Involving the Agency**

Type of Lawsuit	2014		2015		2016	
	Number	Share %	Number	Share %	Number	Share %
Administrative Lawsuits	25,668	98.5	26,126	98.4	26,252	97.3
Penal Lawsuits	175	0.7	188	0.7	235	0.9
Legal Lawsuits	221	0.8	227	0.9	494	1.8
<b>Total</b>	<b>26,064</b>	<b>100.0</b>	<b>26,541</b>	<b>100.0</b>	<b>26,981</b>	<b>100.0</b>

As indicated by the table, 97.30 percent of the lawsuits involving BDDK are administrative lawsuits. These lawsuits are filed for compensation of the claimed losses due to treasury bill sales and deposit transactions by T. İmar Bankası T.A.Ş., banking and deposit receipt permit of which was revoked, as well as the lawsuits filed by small shareholders of Demirbank T.A.Ş. Other administrative lawsuits are annulment and legal lawsuits filed against various administrative procedures implemented by the Board and the agency as per the banking or general legislation. Criminal lawsuits filed as a result of the criminal complaints filed by the Agency and legal lawsuits filed by or against the Agency are also followed up. 5,338 negotiations and other documents received from courts, prosecution offices and public institutions were replied.

In 2016, 102 opinions were given on legal issues listed in Article 20 Paragraph (d) of the Regulation on the Organization of Banking Regulation and Supervision Agency. These opinions are on various subjects including the implementation of the banking regulation, regulation drafts, international agreements signed by and between the Agency and oversight and audit authorities of other countries and personnel implementations.

## COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC

### International Organizations

#### ► Foreign Equivalent Authorities

Building of an international legal framework continued to facilitate collaboration with foreign countries and authorities in the areas of audit and oversight to evaluate the nature of international activities and their connections with the main institution, regulate and audit them and access accurate data.

A strong banking system in developed and developing countries is of significant importance for the stability of the local finance system as well as international financial markets. Considering the importance of an international organization, Turkish banks continue their operations in international markets through a vast network of international branches and offices as well as associates to increase their competitive edge and market share. On the other hand, globalized economies and increasing competition as well as the positive developments in the Turkish banking industry increased the interest of foreign banks in the Turkish market. Many foreign banks operate in Turkey through branches and associates.

Within the frame of these developments, foreign associates and branches and offices of Turkish banks have an impact on the stability and reliability of the financial systems of Turkey and the relevant country. In this sense, building of an international legal framework continued to facilitate collaboration with foreign countries and authorities in the areas of audit and oversight to evaluate the nature of international activities and their connections with the main institution, regulate and audit them and access accurate data.

The Agency signs memorandums of understanding with the audit authorities of foreign countries for approximation of policies and regulations as set forth by Article 98 of the Banking Law. Memorandums of understanding are signed to increase collaboration between the supervision and regulating authorities to ensure financial stability and sustainable growth. In relation to the memorandums signed by and between the Agency and foreign equivalent supervision authorities, the parties attach significant importance to collaboration to support the legal, regulating and corporate framework to maintain financial stability, work in cooperation to define and deploy best practices to improve the finance industry, organize education programs and share information.

As a result of the negotiations, memorandums were signed with Abu Dhabi Global Market Financial Services Regulatory Authority (FSRA) on 17.06.2016 and The Reserve Bank of India on 23.11.2016.

As of the end of 2016, the number of Agreements signed with foreign equivalent authorities is 36 from 34 countries.



**Table 18: Memorandum of Understanding Signed by Counterpart Foreign Authorities**

	<b>Country</b>	<b>Institution</b>	<b>Date of Signature</b>
1	TRNC	Central Bank of TRNC	17/09/2001
2	Albania	Central Bank of Albania	19/10/2001
3	Romania	Central Bank of Romania	19/02/2002
4	Bahrain	Central Bank of Bahrain	30/07/2002
5	Indonesia	Central Bank of Indonesia	11/12/2002
6	Pakistan	National Bank of Pakistan	20/01/2004
7	Malta	Malta Financial Services Authority	10/12/2004
8	Greece	Central Bank of Greece	28/01/2005
9	Kyrgyzstan	Central Bank of Kyrgyzstan	17/05/2005
10	Azerbaijan	Central Bank of Azerbaijan	14/06/2005
11	Bulgaria	Central Bank of Bulgaria	13/09/2005
12	China	Banking Regulation Commission of China	11/07/2006
13	Georgia	Central Bank of Georgia	02/11/2007
14	Kosovo	Central Bank of Kosovo	12/05/2008
15	Luxembourg	Luxembourg Finance Industry Inspection Authority	13/03/2009
16	Lebanon	Banking Control Commission of Lebanon	10/06/2009
17	Bosnia-Herzegovina	Bosnia-Herzegovina Banking Agency	12/06/2009
18	Kazakhstan	Banking Committee of the Central Bank Kazakhstan	28/08/2009
19	Ukraine	Central Bank of Ukraine	19/02/2010
20	Macedonia	Central Bank of Macedonia	30/08/2010
21	Russian Federation	Central Bank of Russian Federation	30/09/2010
22	Syria	Central Bank of Syria Money and Credit Committee	21/12/2010
23	Qatar	Qatar Finance Center Regulation Authority	25/07/2011
24	Germany	Federal Financial Supervision Authority (BaFin)	05/08/2011
25	Croatia	Central Bank of Croatia	29/08/2011
26	Jordan	Central Bank of Jordan	06/09/2011
27	Belgium	Central Bank of Belgium	18/11/2011
28	South Korea	South Korea Financial Services Supervision Authority	25/11/2011
29	Iraq	Central Bank of Iraq	20/12/2011
30	Spain	Central Bank of Spain	25/11/2013
31	Netherlands	Central Bank of Netherlands	24/01/2015
32	Serbia	Central Bank of Serbia	09/06/2015
33	United Arab Emirates	Dubai Financial Services Authority Central Bank of UAE Abu Dhabi Global Market Financial Services Audit Authority	23/08/2007 17/02/2009 17/06/2016
34	India	Central Bank of India	23/11/2016

## COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC

### ► International Institutions

The Agency is in close cooperation with international institutions operating in its areas of responsibility, closely monitors the regulations and standards issued by them, makes the necessary adaptation works and actively participates in the activities through memberships in line with the relevant provisions of the Banking Law.

As of June 2016, the Agency is a member of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) established to ensure standardization of finance practices, corporate governance, audit, accounting standards and financial reporting for interest-free finance institutions.

**International Monetary Fund (IMF) and World Bank:** Negotiations were held with IMF committees in Turkey on issues regarding the banking industry and areas of responsibility of the Agency. Regarding the economic developments in member countries, the Agency attended a detailed meeting held by the IMF Technical Committee as per Article IV of IMF Charter and provided assistance for the relevant parts of the reports and surveys issued by IMF.

The positive relations with the World Bank are ongoing within the frame of the Bilateral Technical Cooperation Agreement signed in 2013 and various meeting and collaborative activities were held with the coordination of the Undersecretariat of Treasury. Assistance was provided to World Bank on reports to the extent they are relevant with the areas of operation of the Agency.

**Organization for Economic Cooperation and Development (OECD):** Within the scope of activities performed with OECD, the Agency attends the relevant work groups including the Committee of Financial Markets (CMF) to share experiences with other member countries and opinions were provided on relevant issues in OECD report.

**Multilateral Trade System - World Trade Organization (WTO):** WTO platform produces a legal framework on national trade laws and regulations and improves trade relations through collective negotiations and meetings. The Agency attended the activities regarding General Agreement on Trade in Services (GATS). As a result of the recent blockage in GATS negotiations, talks with a group of WTO members on a multiple trade in services agreement (TISA) are ongoing and the Agency provides assistance to these efforts and meetings coordinated by the Ministry of Economy. Within the frame of GATS and TISA negotiations with several countries currently going through the membership process, evaluations on the

banking industries of these countries were submitted to the relevant institutions in 2016. Assistance was provided to WTO on reports to the extent they are relevant with the areas of operation of the Agency.

**European Central Bank (ECB):** European Central Bank is authorized to supervise the financial structure and asset quality of European Union (EU) central banks through the Single Supervisory Mechanism (SSM) and the activities of this authority are supported by the Agency.

**European Union (EU):** The Agency continued its efforts on issues under its responsibility on meeting the obligations listed under the title "Ability to Assume the Obligations of Membership" of National Programme of Turkey for the Adoption of the EU Acquis were continued.

The Agency briefed the Ministry of EU regarding the improvements in areas under its responsibility to support the "Progress Report" prepared by the EU Commission.

Within the scope of efforts on "National Action Plan" and "Compliance Procedures" aimed at accelerating the relations between EU and Turkey, the Agency worked in collaboration with the EU Ministry on issues which are under its responsibility.

**Black Sea Economic Cooperation (BSEC):** Black Sea Economic Cooperation (BSEC) Banking and Finance Industry Work Group Country Coordination task assigned to Turkey was extended for two more years on 01/01/2016 and the Action Plan for the Finance Work Group was drafted by the Agency and submitted to BSEC Secretariat.

In 2016, several meetings were held with international institutions and foreign bank offices and the participants were informed on the banking industry and the economic outlook in addition to the activities listed above. The Agency's BDDK Presentation Booklet on the economy and the industry were updated and issued.

### Press and Public Relations

In line with the principles of transparency and accountability imposed by the Banking Law, the Agency informs the public and the relevant institutions on its activities, regulations regarding the industry, industrial developments and agreements signed with national and international developments and handles the information requests which are received.

In this sense, communication activities continued in 2016 to inform

In 2016, several meetings were held with international institutions and foreign bank offices and the participants were informed on the banking industry and the economic outlook.

the public and the industry. Information on the industry were shared with the public through press meetings, press releases and presentations. In 2016, 11 press releases were made to inform the public under four titles. The press releases during the term included three on Basel II - III, two on implementations regarding the banks and one on corporate activities and periodicals.

**Table 19: Distribution of Press Releases by Subject**

Subject	2015		2016	
	Number	Share %	Number	Share %
Basel II - III	2	12.5	3	27.3
Applications for Banks	7	43.8	2	18.2
Publications	3	18.8	1	9.1
Corporate Activities	1	6.2	1	9.1
Other	3	18.7	4	36.4
<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>

Information requests from the media on the Agency's regulation and supervision practices and the industry were handled and documents and materials were delivered to the media for use in news regarding the Agency.

A daily news bulletin compiled from international newspapers, magazines and finance bulletins and including news, comments and opinions on the banking industry and financial markets is issued and submitted for the use of the personnel via intranet.

Various presentations were made at conferences and symposiums organized by public institutions, private sector and universities to share data and provide information on the corporate structure and the activities.

# RESEARCH & DEVELOPMENT ACTIVITIES



## Economic and financial developments are closely monitored on a domestic and global scale and the results of the analyses were notified to the management of the Agency.

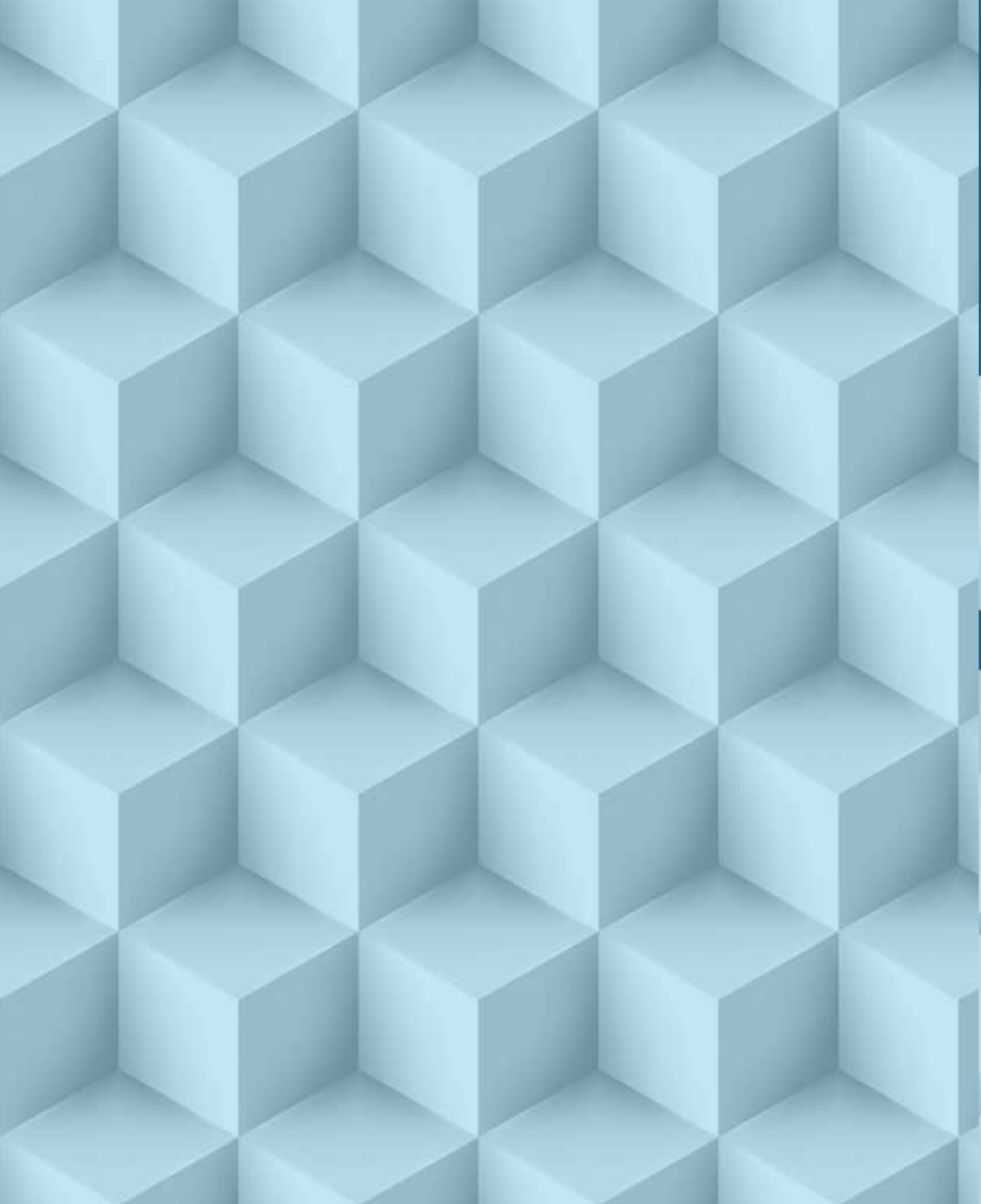
Within the scope of research and development activities, national and international economic and financial developments are tracked and data compiled from various resources as well as the Agency's IT systems are analyzed.

Development in international markets may effect Turkey and other developing countries in various ways. Therefore, economic and financial developments are tracked on a national and global scale. Findings as a result of the acquired data and the analyses are submitted to the Agency's management.

Information notes are prepared on weekly, monthly and quarterly macroeconomic data on Turkish economy. Analyses on Turkey include comparisons with countries with similar dynamics. This helps

detect any negative or positive differences. In addition to data on local and international issues, decisions and announcements made by the authorities are also followed.

Research activities are performed by various service units using financial models and econometrics methods implemented in the area of banking to develop numerical results which will support the literature and arguments regarding the industry. In this sense, the research on the effect of regulations on credit cards on current deficit was completed in 2016. Another research on international and national reserves and international investment positions was also completed and submitted to the management. On the other hand, a draft research on real sector loans and another one on growth estimation using an econometrics model are in progress.



# AGENCY RESOURCES





## AGENCY RESOURCES

As of the end of 2016, the Agency has 427 employees. The Agency's vision and mission are considered determining and meeting the human resources requirements and the main principle is to ensure that the activities are performed by a sufficient number of qualified employees.

### Human Resources

As required by Article 92 of the Banking Law, the Agency performs its tasks through career professionals and administrative personnel consisting of bank auditors and their assistants, banking experts and their assistants, legal experts and their assistants, IT experts and their assistants and Banking Regulation and Supervision Agency assistant experts. Vice presidents, directorate heads, managers, presidency consultants, career professionals, agency experts and lawyers are contracted employees. Contracted personnel are subject to Government Officers Law 657 regarding their rights and liabilities other than wages, financial and social benefits.

Total staff members of the Agency are listed as 867 in list (I) attached to the Banking Law and 30% of the staff members are not managers, consultants or career professionals.

### ► Human Resources Profile

As of the end of 2016, the Agency has 427 staff members including managers, consultants, professional personnel and administrative personnel. 71% of the staff members are career professionals.

The Agency's vision and mission are considered determining and meeting the human resources requirements and the main principle is to ensure that the activities are performed by a sufficient number of qualified employees.

As of the end of 2016, seniority distribution of the staff members is 4 to 9 years or 10 to 19 years with 62%.

**Table 20: Distribution of the Agency's Staff**

Group	2015		2016	
	Number	Share %	Number	Share %
Manager	18	3	20	5
Consultant	10	2	10	2
Professional	421	74	303	71
Administrative Personnel	123	21	94	22
<b>Total</b>	<b>572</b>	<b>100</b>	<b>427</b>	<b>100</b>

**Table 21: Distribution of Career Staff by Seniority**

Title Group	2015		2016	
	Number	Share %	Number	Share %
<b>Sworn Bank Auditors</b>	<b>165</b>	<b>100</b>	<b>91</b>	<b>100</b>
Over 20 years	9	6	8	11
10-19 years	55	33	16	18
4-9 years	64	39	33	35
1-3 years	37	22	34	36
<b>Banking Experts</b>	<b>252</b>	<b>100</b>	<b>206</b>	<b>100</b>
Over 20 years	21	8	20	10
10-19 years	123	49	78	38
4-9 years	54	21.5	62	30
1-3 years	54	21.5	46	22
<b>BDDK Experts</b>	<b>4</b>	<b>100</b>	<b>6</b>	<b>100</b>
1-3 years	4	100	6	100
<b>Sum of Professionals</b>	<b>421</b>	<b>100</b>	<b>303</b>	<b>100</b>
Over 20 years	30	7	28	9
10-19 years	178	42	94	31
4-9 years	118	28	95	31
1-3 years	95	23	86	28

As of the end of 2016, 67% of the staff members are 40 years old or younger and the largest age group is 31 to 40 with 50%.

**Table 22: Age Distribution of Staff**

Age Group	2015		2016	
	Number of Staff	Share %	Number of Staff	Share %
Up to 31 years	107	19	76	17
31 to 40 years	314	55	209	50
41 to 50 years	97	17	99	23
50 years and over	54	9	43	10
<b>Total</b>	<b>572</b>	<b>100</b>	<b>427</b>	<b>100</b>

As of the end of 2016, 94% of 427 Agency staff members have a license degree and 34% have a post-graduate degree.

## AGENCY RESOURCES

**Table 23: Number of Staff by Level of Education**

Group	Postgraduate		Post Graduate		Bachelor Degree		Other	
	2015	2016	2015	2016	2015	2016	2015	2016
Manager	4	3	6	6	4	11	-	-
Consultant	3	2	5	4	5	4	-	-
Professional	8	12	150	108	287	183	-	-
Administrative personnel	-	-	12	10	75	58	25	26
<b>Total</b>	<b>15</b>	<b>17</b>	<b>173</b>	<b>128</b>	<b>371</b>	<b>256</b>	<b>25</b>	<b>26</b>
<b>Share %</b>	<b>3</b>	<b>4</b>	<b>29</b>	<b>30</b>	<b>62</b>	<b>60</b>	<b>4</b>	<b>6</b>

A significant share of the staff members with a license degree are graduated from departments of economics and business administration.

**Table 24: Distribution of Personnel by Field of Degree**

	2015		2016	
	Number	Share %	Number	Share %
Economics and Administrative Sciences	419	75.0	264	61.8
Law	46	8.2	40	9.4
Engineering	53	9.5	36	8.4
Mathematics-Statistics	23	4.1	26	6.1
Other	18	3.2	61	14.3
<b>Total</b>	<b>559</b>	<b>100.0</b>	<b>427</b>	<b>100.0</b>

### ► Improvement of Human Resources

In-service training, domestic and overseas courses, seminars and post-graduate education opportunities are provided for staff members to help them improve themselves, increase their skills and knowledge in their areas of expertise, monitor their professional development and gain up-to-date knowledge.

2016 was not a specifically busy year in terms of education activities. The reasons for this include the transfer of the Agency to Istanbul and the significant decrease in the number of staff members. In 2016, the number of attendees decreased by 49.3% and the number of training days decreased by 62.8%. In this period, 485 staff members attended a total of 1,382 days of training in Turkey and abroad. Average number of days per attendee was 2.8 days.

In 2016, 485 staff members attended a total of 1,382 days of training in Turkey and abroad.

**Table 25: Domestic and Overseas Training Activities**

Number	2015	2016	Change Compared to Previous Year (%)	
			2015	2016
Number of Attendees	956	485	-46.8	-49.3
Number of Days	3,714	1,382	-29.0	-62.8
Number of Days per Attendee	3.9	2.8	34.0	-26.9

The highest three number of days of training were on general banking, economy and IT. The number of attendees and days of training were 149 attendees and 380 days in general banking, 99 attendees and 246 days in economy, and 55 attendees and 145 days in IT.

**Table 26: Training Activities by Subject**

Subjects	Number of Attendees		Number of Days	
	2015	2016	2015	2016
General Banking	418	149	1,805	380
Economy	95	99	275	246
IT	104	55	673	145
Risk	38	39	113	90
Audit	46	22	111	68
Law	58	26	104	52
Accounting	45	15	205	40
Self-improvement	77	10	104	17
Illicit Money	8	3	21	5
Other (EU, legislation etc.)	67	67	303	339
<b>Total</b>	<b>956</b>	<b>485</b>	<b>3,714</b>	<b>1,382</b>

The Agency personnel attends courses, seminars, conferences and other training activities organized by international institutions and foreign banking authorities on banking, economy, law, accounting, risk management, IT and other professional areas of expertise. In 2016; FDIC, BIS and IMF were the top three institutions in terms of days of education attended by the personnel. In this period, the number of training days were 115 at FDIC, 92 at BIS and 76 at IMF.

## AGENCY RESOURCES

**Table 27: Distribution of Overseas Education Activities by Institution**

Organizations	Number of Days		Share %	
	2015	2016	2015	2016
FDIC	87	115	21	22
BIS	11	92	2.7	17.6
IMF	105	76	25.3	14.6
Equivalent Authorities	72	60	17.3	11.5
IFSB	7	29	1.7	5.6
FED	19	21	4.6	4
FSB	0	16	0	3.1
WB	0	9	0	1.7
FSI	0	8	0	1.5
OECD	2	7	0.5	1.3
OCC	20	0	4.8	0
Other	92	89	22.2	17
<b>Total</b>	<b>415</b>	<b>522</b>	<b>100</b>	<b>100</b>

The trend of decrease in the number of staff members sent abroad for post-graduate education continued in 2016. In 2016, only one staff member went abroad for post-graduate education. 21 staff members took language courses in Turkey to improve the level of foreign language skills.

**Table 28: Number of Staff Members Sent for Higher Education Abroad**

	2011	2012	2013	2014	2015	2016
<b>Number of Staff</b>	20	19	14	9	8	1

In 2016, the significant decrease in the number of training days and participants as well as the number of staff members in post-graduate education abroad were reflected to education costs. In this period, overseas education costs decreased by 50% to TL 2.1 million and domestic and overseas course costs decreased by 67.2% to TL 66 thousand. In 2016, total education costs decreased by 51% to TL 2.2 million and the share of education costs in total costs was 2.0% with a decrease of 2.2 points as compared to the previous year.

**Table 29: Training Costs**

TL Thousand	2011	2012	2013	2014	2015	2016
Cost of Overseas Education*	3,389	5,503	6,086	4,476	4,254	2,137
Domestic and Overseas Course Costs	392	241	493	303	201	66
<b>Sum of Training Costs</b>	<b>3,781</b>	<b>5,744</b>	<b>6,579</b>	<b>4,779</b>	<b>4,455</b>	<b>2,203</b>
<b>Share in Total Costs (%)</b>	<b>5.1</b>	<b>7.0</b>	<b>6.6</b>	<b>4.7</b>	<b>4.2</b>	<b>2.0</b>

\* Monthly payments to staff members abroad for education are included.

### Information Resources

The Agency's Library is among the leading expertise libraries of Turkey and it was established to up-to-date local and foreign printed and digital materials as required by the changes and requirements in the finance industry and submit them to the use of individuals with a contemporary approach to librarianship.

The Library is focused on digital materials since 2016 in line with the contemporary developments in information technologies. In this sense, the Library subscribed to 18 local and foreign databases in 2016 in the areas of economy, banking, law and audit and renewed the contents of its intranet site.

**Table 30: Developments in Information Resources**

Type of Material	Number (End of 2016)
Books	9,962
Periodicals	3
Databases	18
Audio/Visual Materials	212
<b>Total</b>	<b>10,195</b>

### Financial Resources

#### ► Budget Implementation Results

Article 17 of Public Finance Management and Control Law 5018 stipulates that the regulating and supervision agencies make their budgets with a three-year budget approach, strategic plans and performance objectives as well as functional and economic classification system. The Agency Budget prepared in line with this Law and confirmed by the Board Decision 6654 dated 13/01/2016 was confirmed by TBMM and made effective with "2016 Central Management Budget Law" 6682 issued in the Official Gazette 29655 dated 16/03/2016.

## AGENCY RESOURCES

Within the scope of this budget, total revenues were estimated as TL 327 million and actualized as TL 336 million. The revenues are distributed as participation income collected from banks and other audited institutions with 92% and interest income from large-scale TL deposit accounts with 8%.

As of the end of 2016, the balance sheet of the Agency grew by 14% as compared to the previous year to reach TL 767.5 million.

**Table 31: Income Budget and Realizations**

TL Thousand	Budget		Realizations		Difference (Budget Realization)	
	2015	2016	2015	2016	2015	2016
Participation Share Income	270,050	311,050	269,643	310,734	-407	-316
Other Income	11,950	15,950	22,309	25,718	10,359	9,768
Interest Income	11,350	15,300	21,175	25,207	9,825	9,907
Other Various Income	600	650	1,134	511	534	-139
<b>Total</b>	<b>282,000</b>	<b>327,000</b>	<b>291,952</b>	<b>336,452</b>	<b>9,952</b>	<b>9,452</b>

On the other hand, TL 112.7 million of the TL 327 million 2016 budget was spent. The largest expenditure shares are personnel costs with TL 62.8 million and purchase of goods and services with TL 39.2 million. In this sense, among total expenditures

- 55.7% personnel costs,
  - 34.7% purchase of goods and services,
  - 4.2% premiums paid to Social Security Institution for the personnel,
  - 3.3% capital costs,
  - 2.1% current transfers
- are included.

**Table 32: Allocation and Expenses Realization**

TL Thousand	Starting Allowance		Expenses		Remaining	
	2015	2016	2015	2016	2015	2016
Personnel Expenses	101,401	109,290	61,858	62,750	39,543	46,540
SGK Premium Payments	7,662	8,402	4,474	4,687	3,188	3,715
Purchase of Goods & Services	61,913	67,584	37,675	39,150	24,238	28,434
Current Transfers	3,011	3,301	1,672	2,396	1,339	905
Capital Expenses	108,013	138,423	476	3,689	107,537	134,734
<b>Total</b>	<b>282,000</b>	<b>327,000</b>	<b>106,155</b>	<b>112,672</b>	<b>175,845</b>	<b>214,328</b>



Agency's expenditures are distributed by expenditure unit as the Support Services Directorate with 37% and Audit Departments by 19%.

**Table 33: Distribution of Budget Expenditure Items by Spending Units**

TL Thousand	Allowance	Expenses	Remaining Allowance
Department of Support Services	181,931	41,812	140,119
Department of Data and System Management	22,736	6,805	15,931
Summary Item	17,113	7,655	9,458
Department of Audit I	11,260	6,129	5,131
Department of Audit II	8,411	4,253	4,158
Department of Audit III	15,047	7,899	7,148
Department of Audit IV	5,896	3,228	2,668
Legal Department	6,540	4,279	2,261
Department of Strategy Development	6,471	3,454	3,017
Department of Regulations	6,150	4,073	2,077
Risk Management Department	5,043	2,227	2,816
Department of Enforcement I	4,807	3,302	1,505
Department of Enforcement II	3,797	2,416	1,381
Department of Enforcement III	3,560	2,224	1,336
Department of Enforcement IV	3,470	1,317	2,153
Department of Enforcement V	3,461	1,115	2,346
Department of Economic Research	2,884	1,164	1,720
Department of Financial Consumer Relations	9,339	5,487	3,852
Department of Information Systems Compliance	6,040	2,753	3,287
Department of Corporate Communications & External Affairs	3,044	1,080	1,964
<b>General Sum</b>	<b>327,000</b>	<b>112,672</b>	<b>214,328</b>

#### ► Financial Tables

As of the end of 2016, the balance sheet of the Agency grew by 14% as compared to the previous year to reach TL 767.5 million. The largest share among the assets is the bank accounts with TL 577.9 million and the second largest item is fixed assets with TL 179.9 million. On the liabilities side, the largest item is the equities with TL 398.4 million.

## AGENCY RESOURCES

**Table 34: Summary of Balance Sheet**

TL Thousand	2015	2016
<b>Assets</b>		
<b>1 Current Assets</b>	<b>499,142</b>	<b>587,607</b>
10 Liquid Assets	490,570	577,852
12 Receivables from Operations	373	706
14 Other Receivables	330	592
15 Inventories	34	45
16 Prepayments	2,107	3,971
18 Short-term Prepaid Expenses and Accrued Income	5,728	4,441
<b>2 Fixed Assets</b>	<b>174,825</b>	<b>179,910</b>
<b>Total Assets</b>	<b>673,967</b>	<b>767,517</b>
<b>Liabilities</b>		
<b>3 Short Term Liabilities</b>	<b>313,642</b>	<b>369,082</b>
32 Payables from Operations	316	237
33 Deposit Foreign Assets	24	43
36 Other Liabilities	2,569	2,307
38 Short-term Prepaid Income and Accrued Expenses	310,733	366,495
<b>5 Equity</b>	<b>360,325</b>	<b>398,435</b>
50 Net Value	172,073	172,088
59 Period Operating Results	188,252	226,347
<b>Total Liabilities</b>	<b>673,967</b>	<b>767,517</b>

**Table 35: Summary Table of Income**

TL Thousand	2015	2016
1. Participation Share Income	269,643	310,733
2. Sales Discounts	0	0
<b>3. Net Income (1-2)</b>	<b>269,643</b>	<b>310,733</b>
4. Cost of Sales	0	0
5. Operating Expenses	106,564	109,348
<b>6. Operating Profit or Loss (3-5)</b>	<b>163,079</b>	<b>201,385</b>
7. Ordinary Income from Other Operations	25,173	24,962
8. Ordinary Expenses from Other Operations	0	0
9. Financing Expenses	0	0
10. Extraordinary Income	0	0
11. Extraordinary Expenses or Losses	0	0
<b>Period Result (6 + 7 - 8 - 9 + 10 -11)</b>	<b>188,252</b>	<b>226,347</b>

As per Article 101 of the Banking Law, the excess revenues of the Agency are transferred to the general budget as income in March. In 2016, TL 226.3 million was transferred to the general budget as excess revenue and the total amount is TL 1,128.2 million.

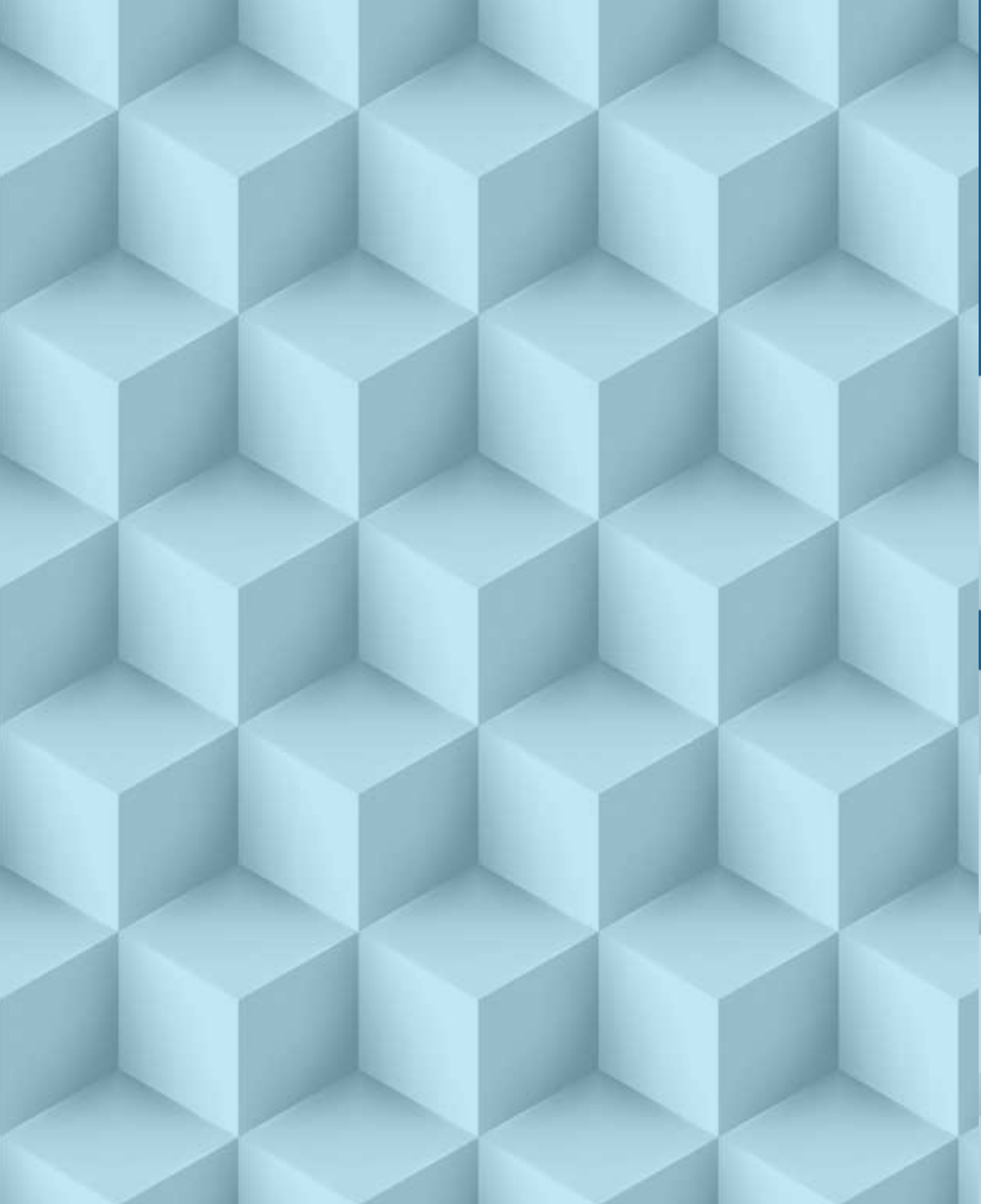
**Table 36: Transfer to General Budget**

	2003 – 2014	2015	2016	Total
TL Million (Current prices)	713.6	188.3	226.3	1,128.2
TL Million (2016 prices) *	1,299.7	207.5	226.3	1,733.4
USD Billion	428.6	66.7	61.4	556.7

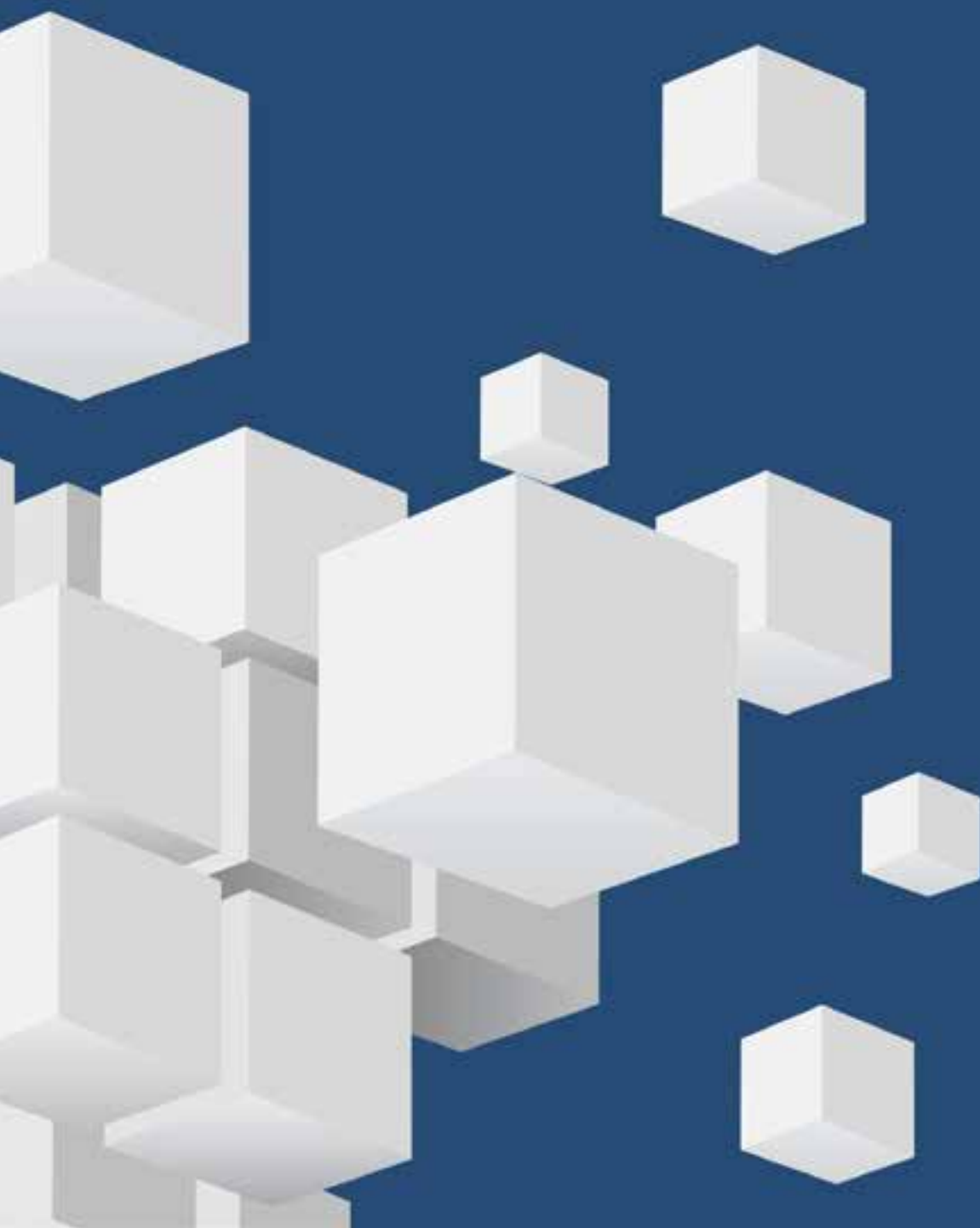
\* The transfer amounts are indicated in 2017 February prices as calculated using the Consumer Price Index (2003=100).

#### ► Financial Audit of the Agency

Law No. 5018 is applicable to the external audit of the Agency as per Article 101 of Banking Law. In this sense, post-expenditure external audit of the Agency is performed by the Supreme Court of Public Accounts.



# ANNEXES



**ANNEXES****ANNEX 1: Institutions Subject to the Authority of the Agency (as of 31/12/2016)**

<b>ORDER</b>	<b>TYPE OF ESTABLISHMENT / NAME*</b>
	<b>BANKS</b>
1	ADABANK A.Ş.
2	AKBANK T.A.Ş.
3	AKTİF YATIRIM BANKASI A.Ş.
4	ALBARAKA TÜRK KATILIM BANKASI A.Ş.
5	ALTERNATİFBANK A.Ş.
6	ANADOLUBANK A.Ş.
7	ARAP TÜRK BANKASI A.Ş.
8	BANK MELLAT
9	BANK OF TOKYO MITSUBISHI UFJ TURKEY A.Ş.
10	BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş.
11	BİRLEŞİK FON BANKASI A.Ş.
12	BURGAN BANK A.Ş.
13	CITIBANK A.Ş.
14	DENİZBANK A.Ş.
15	DEUTSCHE BANK A.Ş.
16	DİLER YATIRIM BANKASI A.Ş.
17	FİBABANKA A.Ş.
18	GSD YATIRIM BANKASI A.Ş.
19	HABİB BANK LİMİTED
20	HSBC BANK A.Ş.
21	ICBC TURKEY BANK A.Ş.
22	ING BANK A.Ş.
23	INTESA SANPAOLO S.P.A.
24	İLLER BANKASI A.Ş.
25	İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
26	JP MORGAN CHASE BANK NATIONAL ASSOCIATION
27	KUVEYT TÜRK KATILIM BANKASI A.Ş.
28	MERRILL LYNCH YATIRIM BANK A.Ş.
29	NUROL YATIRIM BANKASI A.Ş.

30	ODEA BANK A.Ş.
31	PASHA YATIRIM BANKASI A.Ş.
32	QNB FİNANSBANK A.Ş.
33	RABOBANK A.Ş.
34	SOCIETE GENERALE S.A.
35	STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
36	ŞEKERBANK T.A.Ş.
37	T.C. ZİRAAT BANKASI A.Ş.
38	THE ROYAL BANK OF SCOTLAND PLC.
39	TURKISH BANK A.Ş.
40	TURKLAND BANK A.Ş.
41	TÜRK EKONOMİ BANKASI A.Ş.
42	TÜRKİYE FİNANS KATILIM BANKASI A.Ş.
43	TÜRKİYE GARANTİ BANKASI A.Ş.
44	TÜRKİYE HALK BANKASI A.Ş.
45	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
46	TÜRKİYE İŞ BANKASI A.Ş.
47	TÜRKİYE KALKINMA BANKASI A.Ş.
48	TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
49	TÜRKİYE VAKIFLAR BANKASI T.A.O.
50	VAKIF KATILIM BANKASI A.Ş.
51	YAPI VE KREDİ BANKASI A.Ş.
52	ZİRAAT KATILIM BANKASI A.Ş.
<b>FINANCIAL LEASING COMPANIES</b>	
1	A&T FİNANSAL KİRALAMA A.Ş.
2	AK FİNANSAL KİRALAMA A.Ş.
3	ALTERNATİF FİNANSAL KİRALAMA A.Ş.
4	ANADOLU FİNANSAL KİRALAMA A.Ş.
5	ARI FİNANSAL KİRALAMA A.Ş.
6	BNP PARİBAS FİNANSAL KİRALAMA A.Ş.
7	BURGAN FİNANSAL KİRALAMA A.Ş.
8	DE LAGE LANDEN FİNANSAL KİRALAMA A.Ş.
9	DENİZ FİNANSAL KİRALAMA A.Ş.
10	ENKA FİNANSAL KİRALAMA A.Ş.



11	FİNANS FİNANSAL KİRALAMA A.Ş.
12	GARANTİ FİNANSAL KİRALAMA A.Ş.
13	HALIÇ FİNANSAL KİRALAMA A.Ş.
14	HALK FİNANSAL KİRALAMA A.Ş.
15	ING FİNANSAL KİRALAMA A.Ş.
16	İŞ FİNANSAL KİRALAMA A.Ş.
17	MERCEDES-BENZ FİNANSAL KİRALAMA TÜRK A.Ş.
18	PAMUK FİNANSAL KİRALAMA A.Ş.
19	PERVİN FİNANSAL KİRALAMA A.Ş.
20	SIEMENS FİNANSAL KİRALAMA A.Ş.
21	ŞEKER FİNANSAL KİRALAMA A.Ş.
22	VAKIF FİNANSAL KİRALAMA A.Ş.
23	VFS FİNANSAL KİRALAMA A.Ş.
24	YAPI KREDİ FİNANSAL KİRALAMA A.O.
25	YATIRIM FİNANSAL KİRALAMA A.Ş.
26	ZİRAAT FİNANSAL KİRALAMA A.Ş.

**FACTORING COMPANIES**

1	ABC FAKTORİNG A.Ş.
2	ACAR FAKTORİNG A.Ş.
3	AK FAKTORİNG A.Ş.
4	AKDENİZ FAKTORİNG A.Ş.
5	AKIN FAKTORİNG A.Ş.
6	ANADOLU FAKTORİNG A.Ş.
7	ANALİZ FAKTORİNG A.Ş.
8	ARENA FAKTORİNG A.Ş.
9	ATAK FAKTORİNG A.Ş.
10	ATILIM FAKTORİNG A.Ş.
11	BAŞER FAKTORİNG A.Ş.
12	BAYRAMOĞLU FAKTORİNG A.Ş.
13	BERG FAKTORİNG A.Ş.
14	C FAKTORİNG A.Ş.
15	CREDITWEST FAKTORİNG A.Ş.
16	ÇAĞDAŞ FAKTORİNG A.Ş.
17	ÇÖZÜM FAKTORİNG A.Ş.

18	DENİZ FAKTORİNG A.Ş.
19	DESTEK FAKTORİNG A.Ş.
20	DEVİR FAKTORİNG A.Ş.
21	DOĞA FAKTORİNG A.Ş.
22	DOĞAN FAKTORİNG A.Ş.
23	EKO FAKTORİNG A.Ş.
24	EKSPÖ FAKTORİNG HİZMETLERİ A.Ş.
25	EREN FAKTORİNG A.Ş.
26	FİBA FAKTORİNG A.Ş.
27	FİNANS FAKTORİNG A.Ş.
28	GARANTİ FAKTORİNG A.Ş.
29	GLOBAL FAKTORİNG HİZMETLERİ A.Ş.
30	GSD FAKTORİNG A.Ş.
31	HALK FAKTORİNG A.Ş.
32	HUZUR FAKTORİNG A.Ş.
33	ING FAKTORİNG A.Ş.
34	İSTANBUL FAKTORİNG A.Ş.
35	İŞ FAKTORİNG A.Ş.
36	KAPİTAL FAKTORİNG A.Ş.
37	KENT FAKTORİNG A.Ş.
38	KREDİ FİNANS FAKTORİNG HİZMETLERİ A.Ş.
39	LİDER FAKTORİNG A.Ş.
40	MERKEZ FAKTORİNG A.Ş.
41	MERT FİNANS FAKTORİNG HİZMETLERİ A.Ş.
42	MNG FAKTORİNG A.Ş.
43	OPTİMA FAKTORİNG A.Ş.
44	PAMUK FAKTORİNG A.Ş.
45	PARAFİNANS FAKTORİNG A.Ş.
46	PRİME FAKTORİNG HİZMETLERİ A.Ş.
47	SARDES FAKTORİNG A.Ş.
48	STRATEJİ FAKTORİNG A.Ş.
49	SÜMER FAKTORİNG A.Ş.
50	ŞEKER FAKTORİNG A.Ş.
51	ŞİRİNOĞLU FAKTORİNG A.Ş.

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52 TAM FAKTORİNG A.Ş.

53 TEB FAKTORİNG A.Ş.

54 TUNA FAKTORİNG A.Ş.

55 ULUSAL FAKTORİNG A.Ş.

56 VAKIF FAKTORİNG A.Ş.

57 VDF FAKTORİNG A.Ş.

58 YAPI KREDİ FAKTORİNG A.Ş.

59 YAŞAR FAKTORİNG A.Ş.

60 YEDİTEPE FAKTORİNG A.Ş.

61 ZORLU FAKTORİNG A.Ş.

#### FINANCING COMPANIES

1 ALJ FİNANSMAN A.Ş.

2 DD FİNANSMAN A.Ş.

3 EVKUR FİNANSMAN A.Ş.

4 HEMENAL FİNANSMAN A.Ş.

5 KOÇ FİAT KREDİ FİNANSMAN A.Ş.

6 KOÇ FİNANSMAN A.Ş.

7 MERCEDES BENZ FİNANSMAN TÜRK A.Ş.

8 ORFİN FİNANSMAN A.Ş.

9 ŞEKER MORTGAGE FİNANSMAN A.Ş.

10 TEB FİNANSMAN A.Ş.

11 TIRSAN FİNANSMAN A.Ş.

12 TURKCELL FİNANSMAN A.Ş.

13 VFS FİNANSMAN A.Ş.

14 VOLKSWAGEN DOĞUŞ FİNANSMAN A.Ş.

#### FINANCIAL HOLDING COMPANIES

1 KOÇ FİNANSAL HİZMETLER A.Ş.

2 TEB HOLDİNG A.Ş.

#### INDEPENDENT AUDIT COMPANIES

1 A-1 YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.

2 AAC BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

3 ABD ADA BAĞIMSIZ DENETİM A.Ş.

4 AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.

5 ACC BAĞIMSIZ DENETİM A.Ş.

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6	ADALYA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
7	ADAY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ
8	ADM BAĞIMSIZ DENETİM A.Ş.
9	AG YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
10	AK BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
11	AKADEMİK BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
12	AKİS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
13	AKSİS BAĞIMSIZ DENETİM A.Ş.
14	AKT BAĞIMSIZ DENETİM A.Ş.
15	AKTAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
16	ALTERNATİF BAĞIMSIZ DENETİM A.Ş.
17	ANALİTİK BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
18	AND YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
19	ANIL YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
20	AREN BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
21	ARILAR BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
22	ARKAN ERGİN ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
23	ARTI DEĞER ULUSLARARASI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
24	AS BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
25	ATA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
26	AVRASYA BAĞIMSIZ DENETİM VE YMM A.Ş.
27	AYK BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
28	BAKIŞ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
29	BAN-DEN BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
30	BAŞARAN NAS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
31	BATI YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
32	BD BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
33	BDD BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
34	BDO DENET BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
35	BİLGİ BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
36	BİLGİLİ BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
37	BİRLEŞİK EKOL BAĞIMSIZ DENETİM A.Ş.
38	BİRLEŞİK UZMANLAR YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
39	BİRLEŞİM BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

40	BM BAĞIMSIZ DENETİM A.Ş.
41	BOĞAZIÇI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
42	C&Ç BAĞIMSIZ DENETİM VE YÖNETİM DANIŞMANLIĞI A.Ş.
43	CONSULTA BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
44	CPA BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
45	CPATURK BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
46	CROWE HORWATH OLGU BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
47	ÇÖZÜM ÜNLÜER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
48	DEĞER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
49	DENGE ANKARA BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
50	DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
51	DENGE İZMİR BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
52	DETAY BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
53	DMF SİSTEM ULUSLARARASI BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
54	DMR BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
55	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
56	DT DENETİM TURKEY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
57	EGE YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
58	ELİT BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
59	ENGİN BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİLİK MALİ MÜŞAVİRLİK A.Ş.
60	ERCİYES YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
61	EREN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
62	FİNANSAL EKSEN BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
63	GRC BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
64	GÜÇBİR BAĞIMSIZ DENETİM A.Ş.
65	GÜNCEL BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
66	GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
67	GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
68	HİLAL YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
69	HLB SAYGIN BAĞIMSIZ DENETİM A.Ş.
70	HSY DANIŞMANLIK VE BAĞIMSIZ DENETİM A.Ş.
71	IHY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
72	IŞIK YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
73	İNTEGRAL BAĞIMSIZ DENETİM ANONİM ŞİRKETİ

74	İRFAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
75	İTİMAT BAĞIMSIZ DENETİM A.Ş.
76	KARAR BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
77	KARMA BAĞIMSIZ DENETİM A.Ş.
78	KARYA BAĞIMSIZ DENETİM VE DANIŞMANLIK HİZMETLERİ A.Ş.
79	KAVRAM BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
80	KÖKER YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
81	LEGAL BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
82	LİDYA BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
83	MBK BAĞIMSIZ DENETİM VE SMMM A.Ş.
84	MED YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
85	MEGA GLOBAL ULUSLARARASI BAĞIMSIZ DENETİM A.Ş.
86	MERCEK BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
87	MERİDYEN KURUMSAL ÇÖZÜM VE BAĞIMSIZ DENETİM A.Ş.
88	METROPOL BAĞIMSIZ DENETİM A.Ş.
89	MGI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
90	MMB BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
91	MOD BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
92	ODİTA BAĞIMSIZ DENETİM A.Ş.
93	OLUŞUM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
94	ÖNDER BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
95	PÜR BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
96	RANDIMAN DENETİM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
97	RASYONEL BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
98	REFERANS BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
99	REHBER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
100	REPORT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
101	REVİZYON BAĞIMSIZ DENETİM A.Ş.
102	RSM TURKEY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
103	SAM-DEN SAMSON BAĞIMSIZ DENETİM A.Ş.
104	SER&BERKER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
105	SGD BAĞIMSIZ DENETİM HİZMETLERİ ANONİM ŞİRKETİ
106	SUN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
107	TRC BAĞIMSIZ DENETİM ANONİM ŞİRKETİ

108	TÜRKERLER BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
109	TÜRKMEN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
110	ULUSAL BAĞIMSIZ DENETİM VE YMM A.Ş.
111	ULUSLARARASI BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİLİK MALİ MÜŞAVİRLİK A.Ş.
112	UNİVERSAL BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
113	UZMAN YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
114	VEZİN BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
115	YEDİTEPE BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
116	YILDIZLAR BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
117	YKY BAĞIMSIZ DENETİM VE YMM A.Ş.
118	YORUM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
119	YÖNTEM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
<b>FOREIGN BANK OFFICES</b>	
1	AAREAL BANK A.G.
2	ABC INTERNATIONAL BANK PLC
3	ALUBAF ARAB INTERNATIONAL BANK B.S.C.
4	AXION SWISS BANK SA TÜRKİYE TEMSİLCİLİĞİ
5	BANCA MONTE DEI PASCHI DI SIENA S.P.A.
6	BANCO POPULAR ESPANOL S.A.
7	BANCO SABADELL S.A.
8	BANK AL HABİB LİMİTED
9	BANK JULIUS BAER&CO.LTD.
10	BANK OF BAHRAIN&KUWAIT
11	BANK OF CHINA LIMITED
12	BNP PARIBAS S.A.
13	BSI SA
14	CAIXABANK S.A.
15	CITIBANK N.A
16	COMMERZBANK A.G.
17	CREDIT EUROPE BANK N.V.
18	CREDIT INDUSTRIEL ET COMMERCIAL
19	DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH
20	DEMİR-HALK BANK (NEDERLAND ) N.V.
21	DOHA BANK



22	DUBAI ISLAMIC BANK
23	DZ BANK A.G.
24	GARANTIBANK INTERNATIONAL N.V.
25	GOLDMAN SACHS INTERNATIONAL BANK
26	HUNGARIAN EXPORT-IMPORT BANK PLC.
27	ING BANK N.V.
28	INTESA SANPAOLO S.P.A.
29	JSC BANK OF GEORGIA
30	KEB HANA BANK
31	KFW (KREDITANSTALT FÜR WIEDERAUFBAU) IPEX-BANK GMBH
32	LANDESBANK BADEN WÜRTTEMBERG
33	MIZUHO BANK LTD
34	NATIXIS SA
35	NEAR EAST BANK LIMITED
36	NOMURA BANK INTERNATIONAL PLC
37	OYAK ANKER BANK GMBH
38	QINVEST LLC
39	RABOBANK INTERNATIONAL
40	STATE BANK OF INDIA
41	SUMITOMO MITSUI BANKING CORPORATION
42	THE BANK OF NEW YORK MELLON
43	THE EXPORT-IMPORT BANK OF KOREA
44	UBS A.G.
45	UNION BANCAIRE PRIVÉE, UBP SA
46	WELLS FARGO BANK N.A.
47	ZİRAAT BANK INTERNATIONAL AG
<b>ASSET MANAGEMENT COMPANIES</b>	
1	BEBEK VARLIK YÖNETİM A.Ş.
2	BİRLEŞİM VARLIK YÖNETİM A.Ş.
3	DESTEK VARLIK YÖNETİM A.Ş.
4	EFES VARLIK YÖNETİM A.Ş.
5	FİNAL VARLIK YÖNETİM A.Ş.
6	GÜVEN VARLIK YÖNETİM A.Ş.
7	HAYAT VARLIK YÖNETİM A.Ş.

8	HEDEF VARLIK YÖNETİM A.Ş.
9	İSTANBUL VARLIK YÖNETİM A.Ş.
10	MEGA VARLIK YÖNETİM A.Ş.
11	RCT VARLIK YÖNETİM A.Ş.
12	SÜMER VARLIK YÖNETİM A.Ş.
13	TURKASSET VARLIK YÖNETİM A.Ş.
14	VERA VARLIK YÖNETİM A.Ş.
15	YUNUS VARLIK YÖNETİM A.Ş.
<b>VALUATION COMPANIES</b>	
1	1A GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
2	4A DANIŞMANLIK VE GAYRİMENKUL DEĞERLEME A.Ş.
3	A ARTIBİR GAYRİMENKUL DEĞERLEME A.Ş.
4	A GAYRİMENKUL DEĞERLEME A.Ş.
5	A POZİTİF GAYRİMENKUL DEĞERLEME A.Ş.
6	AAA FİNANSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
7	ACE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
8	AÇI KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
9	ADA TAŞINMAZ DEĞERLEME DANIŞMANLIK A.Ş.
10	ADIM GAYRİMENKUL DEĞERLEME A.Ş.
11	ADİL TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
12	ADRES GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
13	AKADEMİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
14	AKTİF GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
15	ALAN TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
16	ANKA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
17	ANREVA KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
18	ARCHİ DANIŞMANLIK VE GAYRİMENKUL DEĞERLEME A.Ş.
19	AREA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
20	ARGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
21	ARI GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
22	ARIKAN TAŞINMAZ DEĞERLEME A.Ş.
23	ARMA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
24	ARTI GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
25	ARVES GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

26	ASAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
27	ATAK GAYRİMENKUL DEĞERLEME A.Ş.
28	ATLAS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
29	AVRUPA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
30	BETA GAYRİMENKUL DEĞERLEME A.Ş.
31	BİLGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
32	BİLGİ GAYRİMENKUL DEĞERLEME A.Ş.
33	CLS KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
34	ÇAĞKAN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
35	ÇINAR TAŞINMAZ DEĞERLEME VE MÜŞAVİRLİK A.Ş.
36	ÇİZGİ GAYRİMENKUL DEĞERLEME A.Ş.
37	D TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
38	DEGA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
39	DEĞER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
40	DEMİR GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
41	DENGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
42	DETAY TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
43	DGD GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
44	DONATI GAYRİMENKUL DEĞERLEME A.Ş.
45	DORA GAYRİMENKUL DEĞERLEME A.Ş.
46	DÜNYA GRUP GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
47	DÜZEY GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
48	EKİP TAŞINMAZ DEĞERLEME A.Ş.
49	EKOL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
50	EKSEN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
51	EKSPER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
52	EKSPERTUR GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
53	ELİT GAYRİMENKUL DEĞERLEME A.Ş.
54	ELMA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
55	EMEK TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
56	EMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
57	EPOS GAYRİMENKUL DANIŞMANLIK VE DEĞERLEME A.Ş.
58	ETİK GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
59	ETKİN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

60	EVA GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
61	FOKUS GAYRİMENKUL DEĞERLEME A.Ş.
62	FOREKS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
63	FORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
64	GALATA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
65	GEDAŞ GAYRİMENKUL DEĞERLEME A.Ş.
66	GERÇEK GAYRİMENKUL DEĞERLEME A.Ş.
67	GİRİŞİM GAYRİMENKUL DEĞERLEME A.Ş.
68	GOLD GAYRİMENKUL DEĞERLEME EKSPERTİZ VE DANIŞMANLIK A.Ş.
69	GÜNEYBATI GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
70	HARMONİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
71	HEDEF TAŞINMAZ DEĞERLEME A.Ş.
72	İDEAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
73	İLKE GAYRİMENKUL DEĞERLEME A.Ş.
74	İNVEST GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
75	İSTANBUL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
76	KALE TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
77	KALME KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
78	KARAT TAŞINMAZ DEĞERLEME A.Ş.
79	KARE GAYRİMENKUL DEĞERLEME A.Ş.
80	KENT KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
81	KFB GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
82	KOZA GAYRİMENKUL DEĞERLEME A.Ş.
83	LAL GAYRİMENKUL DEĞERLEME VE MÜŞAVİRLİK A.Ş.
84	LİDER GAYRİMENKUL DEĞERLEME A.Ş.
85	LİMİT GAYRİMENKUL DEĞERLEME HİZMETLERİ A.Ş.
86	LOTUS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
87	MAKRO GAYRİMENKUL DEĞERLEME A.Ş.
88	MARKA KURUMSAL GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
89	MAVİ GAYRİMENKUL DEĞERLEME A.Ş.
90	MAY GAYRİMENKUL DEĞERLEME A.Ş.
91	METRİK GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
92	METROPOL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
93	MÜLK KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

94	NET KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
95	NOKTA TAŞINMAZ DEĞERLEME A.Ş.
96	NOVA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
97	ÖZTÜRK GAYRİMENKUL DEĞERLEME A.Ş.
98	PERİTUS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
99	PİRAMİT GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
100	PİRİ GAYRİMENKUL DEĞERLEME A.Ş.
101	PLATFORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
102	PRİME GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
103	RASYONEL GRUP TAŞINMAZ DEĞERLEME A.Ş.
104	REEL GAYRİMENKUL DEĞERLEME A.Ş.
105	REFERANS GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
106	REHBER GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
107	RESPA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
108	RM RİTİM GAYRİMENKUL DEĞERLEME A.Ş.
109	ROTA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
110	SEAK GAYRİMENKUL DEĞERLEME A.Ş.
111	SENTEZ GAYRİMENKUL DEĞERLEME A.Ş.
112	SMART KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
113	SOM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ TİCARET A.Ş.
114	SÜMER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
115	TADEM TAŞINMAZ DEĞERLEME MÜŞAVİRLİK A.Ş.
116	TAKSİM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
117	TALYA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
118	TEKNİK GAYRİMENKUL DEĞERLEME A.Ş.
119	TERRA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
120	TSKB GAYRİMENKUL DEĞERLEME A.Ş.
121	TUVEO KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
122	ULUSAL GAYRİMENKUL DEĞERLEME A.Ş.
123	VAKIF GAYRİMENKUL DEĞERLEME A.Ş.
124	VERA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
125	VİZYON TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
126	YATIRIM GAYRİMENKUL DEĞERLEME A.Ş.
127	YETKİN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

128 ZEUGMA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

129 ZİRVE GAYRİMENKUL DEĞERLEME A.Ş.

**RATING COMPANIES**

1 JCR AVRASYA DERECELENDİRME HİZMETLERİ A.Ş.

**DATA EXCHANGE COMPANIES**

1 RISK CENTER

2 KKB KREDİ KAYIT BÜROSU A.Ş.

**CARD SYSTEM INSTITUTION OFFICES**

1 AMERICAN EXPRESS LIMITED

2 MASTERCARD EUROPE SPRL

3 VISA EUROPE SERVICES INC.

**CUSTODY AND SETTLEMENT INSTITUTIONS**

1 INTERBANK CARD CENTER

**PAYMENT INSTITUTION**

1 BPN ÖDEME KURULUŞU A.Ş.

2 ELEKSE FATURA ÖDEME KURULUŞU A.Ş.

3 FATURAKOM ÖDEME HİZMETLERİ A.Ş.

4 FATURAMATİK ÖDEME KURULUŞU A.Ş.

5 FÖY FATURA ÖDEME KURULUŞU A.Ş.

6 GÖNDERAL ÖDEME HİZMETLERİ A.Ş.

7 İYZİCO ÖDEME HİZMETLERİ A.Ş.

8 MİSYON ÖDEME HİZMETLERİ A.Ş.

9 MOKA ÖDEME KURULUŞU A.Ş.

10 MONEYGRAM TURKEY ÖDEME HİZMETLERİ A.Ş.

11 N KOLAY ÖDEME KURULUŞU A.Ş.

12 NESTPAY ÖDEME HİZMETLERİ A.Ş.

13 OCTET EXPRESS ÖDEME KURULUŞU A.Ş.

14 PAYNET ÖDEME HİZMETLERİ A.Ş.

15 PAYTR ÖDEME HİZMETLERİ A.Ş.

16 PAYTREK ÖDEME KURULUŞU HİZMETLERİ A.Ş.

17 PAYU ÖDEME KURULUŞU A.Ş.

18 PRATİK İŞLEM ÖDEME KURULUŞU A.Ş.

19 TAM FATURA ÖDEME HİZMETLERİ A.Ş.

20 TELERA ÖDEME KURULUŞU A.Ş.

21	TREND ÖDEME KURULUŞU A.Ş.
22	TT ÖDEME HİZMETLERİ A.Ş.
23	TURKCELL ÖDEME HİZMETLERİ A.Ş.
24	UPT ÖDEME HİZMETLERİ A.Ş.
25	VİZYON TAHSİLAT SİSTEMLERİ VE ÖDEME HİZMETLERİ A.Ş.
<b>ELECTRONIC MONEY INSTITUTIONS</b>	
1	BELBİM ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
2	BİRLEŞİK ÖDEME HİZMETLERİ VE ELEKTRONİK PARA A.Ş.
3	CEMETE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
4	D ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
5	PAPARA ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
6	TURK ELEKTRONİK PARA A.Ş.
7	WİRECARD ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.

\* Institutions are sorted in alphabetic order based on area of activity.  
ANNEX 2: Members On Duty and Members Whose Term Has Expired

## Board Members on Duty

NAME & SURNAME	TITLE	DATE OF ASSIGNMENT
Mehmet Ali AKBEN	President	18/05/2015
Olçay TURAN	Member	02/12/2013
Muhiddin GÜLAL	Member	05/12/2013
İrfan ÇEVİK*	Member	25/06/2014
Mustafa KORHAN**	Member	18/05/2015

\* Assigned to vacant board membership on 30/04/2014 to serve during the remaining term.

\*\* Assigned to vacant board membership on 13/11/2014 to serve during the remaining term.

## Members Whose Term Has Expired

NAME & SURNAME	TITLE	DATE OF ASSIGNMENT	DATE OF RETIREMENT
<b>PRESIDENTS</b>			
Mukim ÖZTEKİN	President	22/06/2012	13/11/2014
Tevfik BİLGİN	President	01/12/2003	11/04/2012
R. Engin AKÇAKOCA	President	19/03/2001	05/11/2003
Zekeriya TEMİZEL	President	06/04/2000	03/03/2001
<b>VICE PRESIDENTS</b>			
Mutalip ÜNAL	Vice President	06/10/2009	06/10/2015
Ahmet ŞİRİN	Vice President	12/08/2003	13/06/2011
İbrahim Halil ÇANAKCI	Vice President	11/12/2002	05/05/2003
Ali Vefa ÇELİK	Vice President	13/06/2001	07/08/2001
Biltekin ÖZDEMİR	Vice President	06/04/2000	13/06/2001
<b>MEMBERS</b>			
Haluk TÖZÜM	Member	03/05/2012	01/09/2016
Can Akın ÇAĞLAR	Member	25/07/2011	30/04/2014
Selim Servet TAŞDELEN	Member	25/01/2010	17/11/2014
Mustafa AKIN	Member	16/11/2007	16/11/2013
Erol BERKTAŞ	Member	14/11/2007	14/11/2013
Hüseyin AL	Member	28/07/2005	28/07/2011
Mukim ÖZTEKİN	Member	02/10/2009	08/01/2010
Prof. Yusuf TUNA	Member	12/08/2003	12/08/2009
Mustafa EKİM	Member	01/07/2003	01/07/2009
Yusuf Ziya ÖNDER	Member	13/06/2001	13/06/2007
Prof. Kemal ÇEVİK	Member	06/04/2000	13/06/2007
Mehmet Nuri DOĞULU	Member	13/06/2001	13/06/2005
Atila TAŞDEMİR	Member	13/06/2001	13/06/2003
Ali Akın TARI	Member	13/06/2001	13/06/2003
Ural ŞEKERCİ	Member	06/04/2000	13/06/2001
Selim Servet TAŞDELEN	Member	06/04/2000	13/06/2001
Prof. Bilge HACIHASANOĞLU	Member	06/04/2000	13/06/2001
Halil YETGİN	Member	06/04/2000	13/06/2001



