

2017

ANNUAL REPORT



BANKING REGULATION AND SUPERVISION AGENCY

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



2017

BANKING REGULATION AND SUPERVISION AGENCY ANNUAL REPORT



**BANKING REGULATION AND
SUPERVISION AGENCY**

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BRSA Annual Report may include partial citations from 2017 Report through references.

The Report is available at BRSA web site (www.bddk.org.tr) with full contents.

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ABBREVIATIONS

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
EU	European Union
USA	United States of America
INC	Incorporated Company
IATS	Independent Audit Tracking System
BCBS	Basel Committee on Banking Supervision
BRSA	Banking Regulation and Supervision Agency
BGYS	Information Security Management System
BIS	Bank for International Settlements
PMCC	Prime Ministry Center for Communication
ICC	Inter-bank Card Center
BRS	BRSA Reporting System
BSCEE	Banking Supervisors from Central and Eastern Europe
ICTA	Information and Communication Technologies Authority
BDTS	Banking Data Transfer System
CAMELS	Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis
PCC	Presidency Center for Communication
CMF	OECD Committee on Financial Markets
WTO	World Trade Organization
EBRD	European Bank for Reconstruction and Development
eBYS	Electronic Document Management System
ECB	European Central Bank
FATF	Financial Action Task Force
FDIC	US Federal Deposit Insurance Corporation
FED	US Federal Reserve
FinTürk	Financial Turkey Map
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSI	Financial Stability Institute
FSC	Financial Sector Commission
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
LAMS	Legal Affairs Monitoring System
IASB	International Accounting Standards Board
IDB	Islamic Development Bank
IFSB	Islamic Financial Services Board

IMF	International Monetary Fund
IDES	Review and Assessment Process
ICAAP	Internal Capital Adequacy Assessment Process
CVA	Credit Value Adjustment
BSEC	Black Sea Economic Cooperation
REM	Registered E-Mail
CGF	Credit Guarantee Fund
CRO	Credit Registry Office
TRNC	Turkish Republic of Northern Cyprus
SME	Small and Medium Sized Enterprises
FCIB	Financial Crimes Investigation Board
DoCF	Degree of Client Focus
OCC	US Office of the Comptroller of the Currency
OECD	Organization for Economic Cooperation and Development
ÖNER	Specific Report
RAM	Risk Analysis Assessment
RAP	Risk Analysis Process
RCAP	Regulatory Compliance Assessment Program
OG	Official Gazette
SSI	Social Security Institution
SM	Standard Method
CIIT	Cyber Issues Intervention Team
CMB	Capital Markets Board
SSM	EU Single Supervision Mechanism
JSC	Trade Joint Stock Company
TGNA	Turkish Grand National Assembly
TR	Republic of Turkey
CBRT	Central Bank of the Republic of Turkey
UAP	Uniform Accounting Plan
TISA	Trade in Services Agreement
PBAT	Participation Banks Association of Turkey
TL	Turkish Lira
SDIF	Savings Deposit Insurance Fund
TCC	Turkish Commercial Code
USOM	National Cyber Issues Intervention Center
WB	World Bank

PRESIDENT'S FOREWORD

PRESIDENT'S FOREWORD



As of December 2017, the asset size of the Turkish banking industry has reached to TL 3,258 billion with an increase by 19.3%, and credit portfolio has reached to TL 2,098 billion with an increase by 21% when compared to same month of previous year. The rate of non-performing loans in the industry is low with 2.96%. Capital adequacy ratio of the Turkish banking industry continues to exceed international standards with 16.87% thanks to strong capital structure.

2017 has been a year of a healthy growth for the Turkish banking industry with continued strong capital structure and profitability. As of December 2017, the asset size of the industry has reached to TL 3,258 billion with an increase by 19.3% when compared to same month of previous year. Also, credit portfolio has increased by 21%, reaching to TL 2,098 billion. Share of credits and share of securities within the total assets have been 65% and 12%, respectively. The rate of non-performing loans in the industry continue to rule low with 2.96%. With a share of 53%, deposits have been the biggest funding resource within the total liabilities of our banks. Share of equities within the total liabilities is 11%. Capital adequacy ratio of the Turkish banking industry continues to exceed international standards with 16.87% thanks to strong capital structure. The same achievement also applies to profitability, and net term profit after tax has been TL 49 billion while the rate of return on equity has been 16% in 2017. Being supported with a sustainable profitability, this strong capital structure is capable of protecting the industry against any potential shocks in the future and enabling a reasonable credit growth. With an established structure capable of managing risks, which makes us all proud, the Turkish banking industry has contributed to strengthening the immunity and resistance of national economy against crises.

For our Agency, 2017 has been a successful year, in which a significant number of legislation and communiqué amendments and new regulations have been issued for the purpose of full compliance with international standards. In this context, 2 new regulations and 2 new communiqués were issued, 21 regulations and 5 communiqués were amended in 2017.

Our Agency performs supervision activities with a risk-based and dynamic approach to ensure the effectiveness, continuity and adequacy of audits, and efficient use of resources. Audit groups follow up the developments in the financial markets from updated resources and perform audits in line with guidelines drafted on the basis of international practices and Risk-Based Supervision approach. Our Agency closely follows the developments in financial technologies and cyber security. As a result of audits performed in 2017, a total of 259 reports were issued on subjects such as Financial State and Rating Report, Risk Analysis Assessments, regulatory audits, notices and complaints, domestic branch examinations, etc., 19 Risk Analysis Assessments were drafted and 363 analysis assessments were issued on various topics. On the other hand, 86 reports were issued for IT systems auditing, and 156 reports and 14 analysis assessments were issued within the scope of auditing activities for financial consumers.

We work in close cooperation and exchange views with conventional finance institutions such as Basel Committee on Banking Supervision (BCBS) and International Accounting Standards Board (IASB) as well as many other institutions that operate in the field of interest-free financing. We closely monitor global trends by participating in the General Assembly Meetings of Islamic Financial Services Board (IFSB) that was established in Malaysia in 2005; Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) that was established in Bahrain in 1991; and Islamic Development Bank (IDB) that was established in Jeddah in 1973.

In 2017, our Agency has hosted a workshop under sponsorship by the European Bank for Reconstruction and Development (EBRD) and shared national experiences regarding resolution of financial institutions that are considered by standard-setting institutions as part of the prudential regulations and strict auditing following the global crisis in 2008. This workshop was conducted with the participation of representatives from public entities, industry and international counterpart institutions, and drew vast interest from the public. In accordance with our approach of effective information exchange and cooperation, we plan to conduct similar events on subjects that fall within our field of operation with the participation of national and international stakeholders.

The forthcoming Eleventh Development Plan for 2019-2023 is also expected to include plans, goals and policies on the development of interest-free financing. In order to make Turkey a center for interest-free financing, the interest-free financing ecosystem design must be completed first. In order to implement uniform practices among participation banks, a central interest-free financing advisory board must be established, system's Islam consistent product assortment must be emphasized and skilled human resources must be developed in Islamic finance field. In this context, it has been decided to task Participation Banks Association of Turkey (PBAT) to establish a committee in order to set professional principles and standards for participation banking, and cooperative works were conducted with PBAT on the establishment of the said committee, which will operate as a central advisory board.

The concept of Sustainability which can be described as companies working towards the benefit of society and future generations by also taking into account environmental, social and governance impacts, risks and opportunities in addition to economic and financial criteria when making business and investment decisions is taking more place on the agenda of our banking industry in line with other countries. In this context, a research study has been initiated in 2017 with the purpose of

identifying our banks' existing corporate capacities, strategies, policies, practices and performances in the field of sustainability. Set to be completed by the first half of 2018, the purpose of the study is to improve the effectiveness of evaluations and policies on this matter by using findings and conclusions thereof.

Another important matter in 2017 has been the additional funding of TL 250 billion guaranteed by the Treasury for the increase of guaranty support granted to small and medium sized businesses (SME) and non-SME businesses by the Credit Guarantee Fund (CGF) in order to improve access to credits. As of the end of 2017, the growth performance of our national economy was reinforced with the CGF supported credits issued to SME's (73%) and exporters (16%) by our banks. Our Agency will continue to closely monitor the credits issued in this context and their return performances in the next term.

Ensuring increased the level of financial literacy that can be defined as individuals' ability to effectively manage their budgets and make smart investments with their incomes and savings, and continuing our activities towards financial access will not only help citizens to choose the best product and service for themselves but also grow the propensity to save; and increase their income level in the long-term. We also continue our efforts to ensure banks take into account the disabled customers and their needs, and offer the required accessibility standards when planning their banking services in accordance with the regulations that came into force in 2016 for the purpose of facilitating disabled citizens use banking services without any problems.

I hope all our stakeholders benefit from the 2017 Activity Report of the BRSA, which was issued for the purpose of fully and accurately informing the public and all parties concerned in line with the transparency and accountability principles, and thank all my colleagues for their hard work.

Mehmet Ali AKBEN
President

BOARD MEMBERS AND TOP MANAGEMENT

BOARD

Yakup ASARKAYA
Second President

Olcay TURAN

Beytullah YAZAR

Fatin Rüştü KARAKAŞ

Mustafa BALCI

Necati KOCAMAN

Aziz TURHAN

M. Salih AĞAN

M. İrfan KURT

M. Mustafa CERİT



Mehmet Ali AKBEN
President



- Department of Regulation
- Department of Risk Management
- Department of Audit IV

- Department of Enforcement I
- Department of Enforcement II
- Department of Enforcement IV
- Department of Enforcement V
- Department of Financial Consumer Relations

- Department of Audit I
- Department of Audit II
- Department of Audit III

- Department of Enforcement III
- Department of Economic Research
- Department of Strategy Development
- Department of Corporate Communications & External Affairs
- Department of Auxiliary Services
- Directorate of Board Affairs and Resolution
- Directorate of Human Resources
- Directorate of Education
- Directorate of Financial Affairs
- Directorate of Administrative Affairs

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

POSITION OF THE AGENCY IN THE NATIONAL ECONOMY

POSITION OF THE AGENCY IN THE NATIONAL ECONOMY

The BRSA plays an important role in the Turkish economy in terms of ensuring financial stability, developing the industry, strengthening the framework for supervision, implementation and regulations, protection of the rights and interests of depositors, and developing an effective financial system and a strong banking industry by increasing the corporate capacity.

The Agency is responsible for the supervision and monitoring of TL 3.4 trillion portion of the asset size of finance industry.

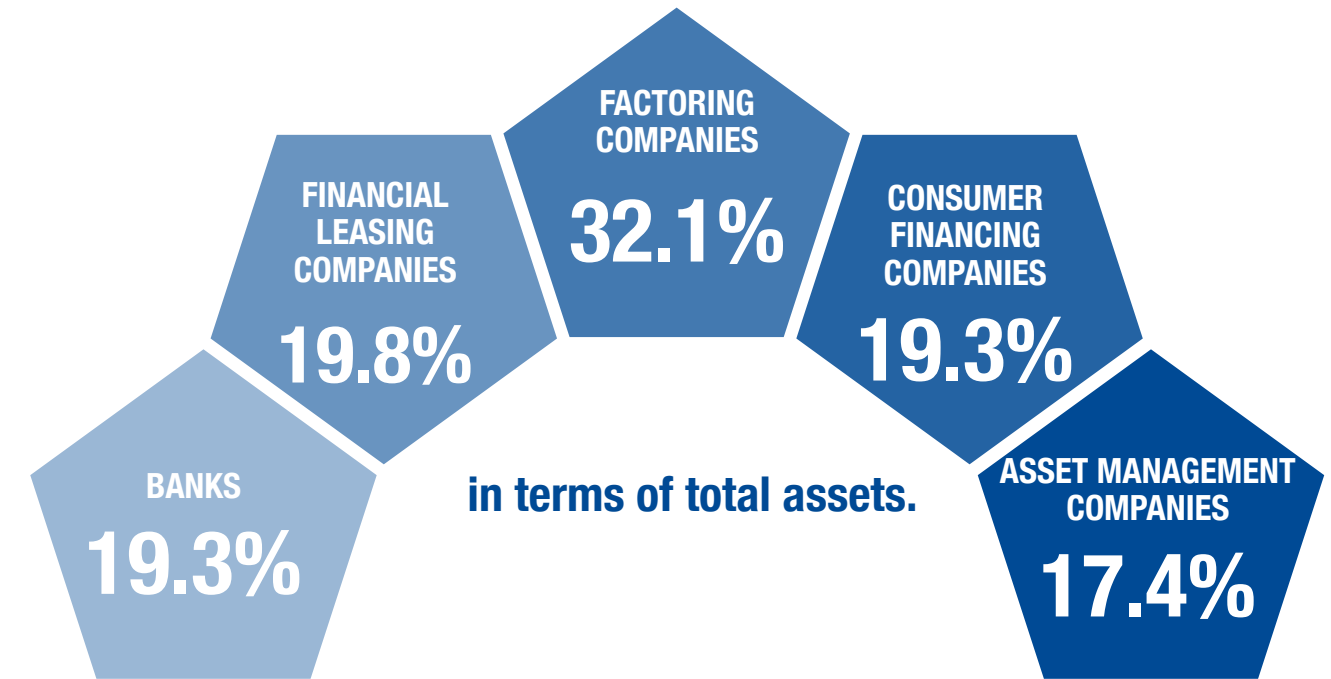
Acting as the responsible institution in the field of supervision and monitoring for a significant portion of the finance industry, our Agency plays an important role in the Turkish economy in terms of ensuring financial stability, developing the industry, strengthening the framework for supervision, implementation and regulations, protection of the rights and interests of depositors, and developing an effective financial system and a strong banking industry by increasing the corporate capacity.

The asset size of the finance industry has reached to TL 3.8 trillion (approximately USD 1 trillion) as of the end of 2017. When we take a look at the asset size of financial industry that has reached to 1.2 times of the GDP, we see that the Turkish banking industry has the largest share in the entire finance system with a share of 86.2%.

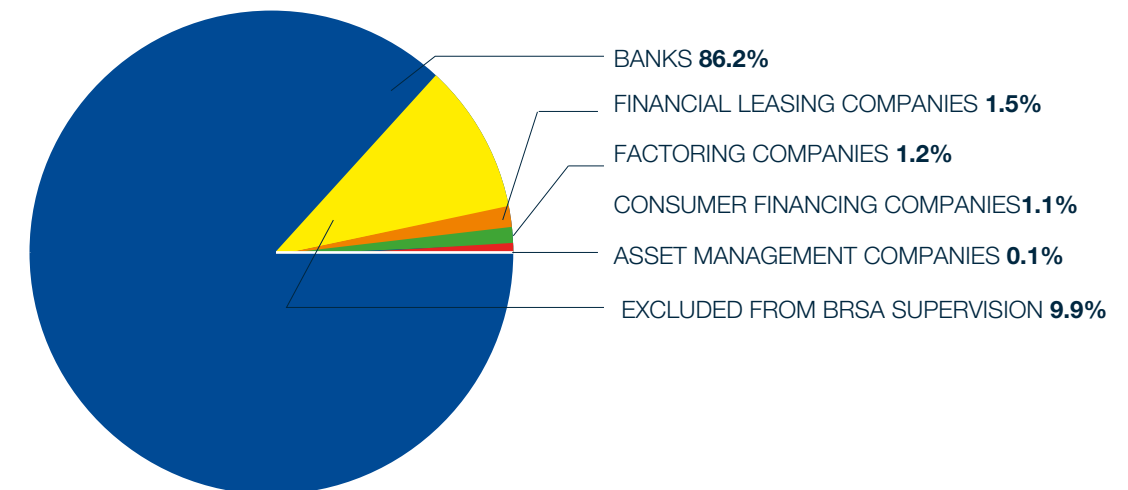
In 2017, the shares of banks, financial leasing companies, factoring companies, consumer financing companies and asset management companies in financial sector subject to the monitoring and supervision by the Agency are 86.2%, 1.5%, 1.2%, 1.1% and 0.1% respectively. In terms of total assets in comparison with the previous year, banks have grown by 19.3%, leasing companies by 19.8%, factoring companies by 32.1%, consumer finance companies by 19.3% and asset management companies by 17.4%.

Being responsible for the supervision and monitoring of the 90.1% portion of the financial sector that has a total asset size of TL 3.4 trillion, the BRSA contributes to ensuring the effectiveness in financial intermediation by making financial markets operate satisfactorily and effectively under a reliable system.

Net growth for the financial institutions is



Shares of Institutions Subject to the BRSA Supervision in Financial Sector



BRSA FACTS



508

NUMBER OF INSTITUTIONS
SUBJECT TO SUPERVISION
BY THE AGENCY



402

NUMBER OF
AGENCY STAFF



32

NUMBER OF
REGULATIONS



180

NUMBER OF SECTOR
MONITORING REPORTS



857

NUMBER OF BANK
MONITORING REPORTS



274

NUMBER OF PERIODICALS
SHARED WITH THE PUBLIC



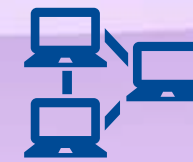
897

NUMBER OF
SUPERVISION
REPORTS



483

NUMBER OF
RESOLUTIONS MADE
BY THE BOARD



17,804

NUMBER OF
EXTERNAL OFFICIAL
CORRESPONDENCE



64,416

NUMBER OF DENUNCIATIONS
AND COMPLAINTS EVALUATED
BY THE AGENCY

VISION, MISSION & BASIC VALUES

Vision

Agency's mission;

The mission is to ensure that the institutions subject to its supervision and regulation 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 depositors 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 necessities and requirements.

Mission

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 set in its budget, and its decisions are not subject to expediency control.

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

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.

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.

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 independent administrative and financial authority by the annulled Banks Law No. 4389 published in the Official Gazette 23734 dated 23/06/1999, in line with the policies for increasing the efficiency of supervision and monitoring system and establishing independent decision-making mechanisms in financial markets, and strengthened in terms of independence, efficiency and capacity pursuant to Banking Law 5411 published in the Official Gazette 25983 dated 01/11/2005.

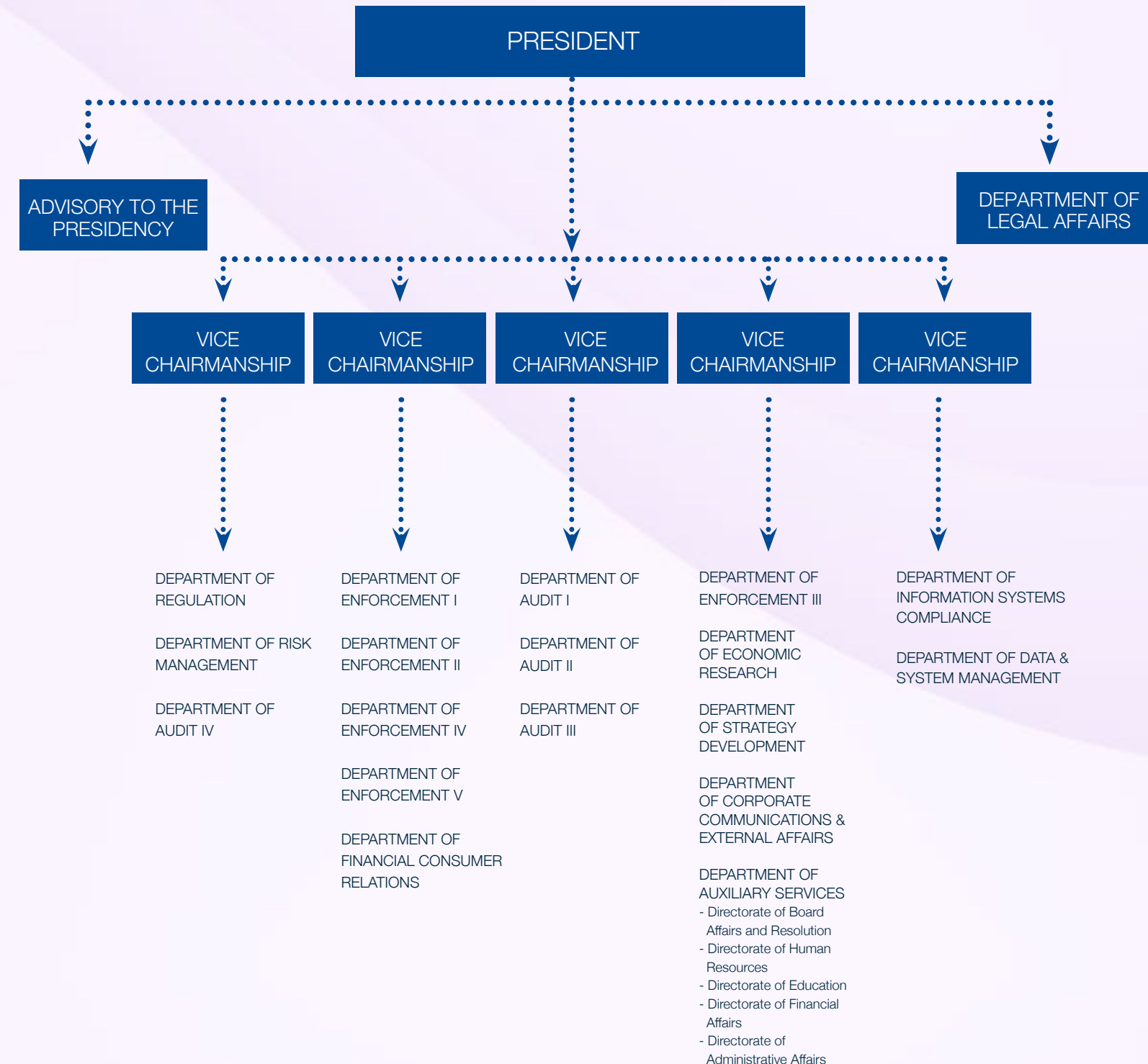
The existing organizational structure of the Agency is governed by Banking Law and the Regulation on the Organization of Banking Regulation and Supervision Agency, which has been put into force through Council of Ministers Decree 2014/5885 published in the Official Gazette 28943 dated 16/03/2014.

The Agency consists of the Banking Regulation and Supervision Board (Board) including the President and the members, and the Presidency Organization operating under the authority of the President. 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 20 main service, advisory and auxiliary service units organized as departments. Maximum 15 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 are based on a horizontally structured organization required by contemporary professional expertise.

As of the end of 2017, the Agency has 19 departments. Departments of Auxiliary Services has five directorates dealing with Board affairs and resolutions, human resources, education, financial affairs and administrative affairs. In addition, the audit departments have audit groups consisting of bank auditors and assistants along with banking specialist and assistants while there are particular audit teams dealing with specific institutions formed under audit groups. For controlling specific IT or legal issues or when deemed necessary and approved by the President, joint teams are created from the personnel assigned at audit and other departments for working together in the field of audit, review, examination, projects and/or audit of risk models, review of risk analyses, other issues such as banking and accounting standards.

Figure 1: Banking Regulation and Supervision Agency Presidency Organizational Structure (as of 15/01/2018)



BANKING REGULATION AND SUPERVISION AGENCY

BANKING REGULATION AND SUPERVISION AGENCY

Banking Regulation and Supervision Board (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 financial sector, 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 or the Vice-President in his absence 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 resolution quorum cannot be attained and votes are equal in subsequent meetings, the vote of the Chairman rules the resolution. Without prejudice to periods specified by the Law, Board resolutions mature within maximum 15 days from the meeting date, together with its justifications, rationale for objecting votes and signatures.

In 2017, 56 meetings were held by the Board and 483 resolutions were issued. When the classification of resolutions are considered, it is seen that 65% of the total number of resolutions consists of the board resolutions on banks.

Table 1: General Outlook of Board Decisions

Subject of Resolution	Year 2016		Year 2017	
	Number	Share %	Number	Share %
Banks	336	62.7	314	65.0
Financial Leasing, Factoring & Financing Companies	52	9.7	36	7.5
Independent Auditor Companies	1	0.2	5	1.0
Valuation/Rating/Support Service Institutions	12	2.2	15	3.1
Asset Management Companies	21	3.9	15	3.1
Payment Institutions & Electronic Money Institutions	31	5.8	27	5.6
Whether or Not To File a Criminal Complaint - Temporary Suspension of Signatory Power/Removal of Suspension	23	4.3	36	7.5
Administrative, Financial and Staff Procedures of the Agency	60	11.2	35	7.2
TOTAL	536	100.0	483	100.0

In 2017, 56 meetings were held by the Board and 483 resolutions were issued. When the classification of resolutions are considered, it is seen that 65% of the total number of resolutions consists of the board resolutions on banks.

Multiple issues may be addressed in a single Board resolution. For instance, a resolution 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 resolution 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 resolution was associated with multiple issues.

On the other hand, the figures in the table are inclusive of all issues referenced to the Board, whether or not affirmative. For example, 85 board resolutions issued by the Board in 2017 on license refer to all decisions, whether or not affirmative.

The Board resolutions were classified as 44.9% on administrative fines, 20.7% on regulatory proceedings and 17.6% on licences.

The Board resolutions were classified as 44.9% on administrative fines, 20.7% on regulatory proceedings and 17.6% on licences.

Table 2: Classification of Board Resolutions Based on Subject

Subject of Resolution	Year 2016		Year 2017	
	Number	Share %	Number	Share %
Regulatory Actions	76	14.2	100	20.7
Licensing Proceedings	90	16.8	85	17.6
Administrative Fines	264	49.3	217	44.9
Cancellation of Operating License or Authorization	9	1.7	9	1.9
Whether or Not To File a Criminal Complaint - Temporary Suspension of Signatory Power/Removal of Suspension	23	4.3	36	7.5
Administrative, Financial and Staff Procedures of the Agency	60	11.2	35	7.2
Other	14	2.6	1	0.2
TOTAL	536	100.0	483	100.0

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 via regulatory proceedings and special resolutions by the Board and the Agency is authorized to enact regulations and communiqués regarding the enforcement of this law by the Board's resolutions. In line with the regulating function, regulatory affairs were maintained 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. All drafts are shared with the relevant sector representatives for the sector's opinions, and opinions and suggestions of the relevant institutions and organizations are requested where necessary. The drafts are reviewed based on the opinions and suggestions of these organizations and sent for the opinions and suggestions to the related ministry for the relevant industry strategies and policies as well as to the Ministry of Development for association with the development plan and annual program in line with Article 93 Paragraph 5 of the Banking Law. Following the evaluation of such opinions and suggestions, the final draft is submitted to the Board and the regulations and communiqués ratified by the Board are submitted to the Prime Ministry to be issued in the official gazette (except for those to be enacted by a decision by the Council of Ministers).

➤ Enacted Regulations

In 2017, 2 new regulations and 2 new communiqués were enforced, 21 regulations and 5 communiqués were amended.

Table 3: Classification of Enacted Regulations Based on Type

Classification of Enacted Regulations Based on Type	2016	2017
Law	-	-
Amendment of Law	-	-
Regulation	4	2
Amendment of Regulation	23	21
Communiqué	-	2
Amendment of Communiqué	7	5
Circular	-	-
TOTAL	34	30

In 2017, 2 new regulations and 2 new communiqués were enforced, 21 regulations and 5 communiqués were amended.

➤ Regulations

➤ **Regulation on Purchase of Valuation Services by Banks and Authorization and Operation of Valuation Service Providers for Banks (OG 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; and 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 Association; professional liability insurance required by the valuation companies was determined and temporary revocation or cancellation of authorization was regulated by also considering the needs that could arise from the implementation of the annulled Regulation in transition period.

➤ **Regulation on Sales of the Receivables of State-owned Banks and their Affiliated Financial Institutions to Asset Management Companies (OG 30151 dated 11/08/2017):** The said Regulation specifies the methods and principles of selling the receivables of state-owned banks and their affiliated financial institutions to asset management companies pursuant to the second paragraph "The Agency is entitled to determine the methods and principles applicable to selling the receivables of banks, half of the capital of which are directly or indirectly owned by the state, or banks that are under direct control of the state." added to article 143, "Asset Management Company", of Banking Law 5411 under article 5 of the Statutory Decree 684 on Making Certain Regulations within the scope of State of Emergency as promulgated in the Official Gazette 29957 dated 23/01/2017.

➤ **Regulation on Amendment of the Regulation on Banks' Liquidity Ratio Calculation Methods (OG 29993 dated 28/02/2017):** Calculation of total consolidated liquidity provision ratio and consolidated foreign currency liquidity provision ratio by taking the monthly simple arithmetic mean of daily liquidity provision ratios was postponed and it has been calculated as of the last day of each month until 01.01.2018.

➤ **Regulation on Amendment of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process (OG 29997 dated 04/03/2017):** Pursuant to paragraph 2n of article 7 of the Regulation, the period of report issued by banks on the independence and capital adequacy of valuation institutions and submitted to the Board of Directors was extended from three months to one year.

➤ **Regulation on Amendment of the Regulation on Principles of Establishment and Operation of Asset Management Companies (OG 29997 dated 04/03/2017):** With this Regulation, cancellation of operating licenses will be announced in the Official Gazette to inform all relevant parties in the sector.

➤ **Regulation on Amendment of the Regulation on Receipt of Support Services by Banks (OG 29997 dated 04/03/2017):** This Regulation ensures that services of collection, counting, distribution and delivery of commercial papers can be provided by companies listed in Law No. 5188 on Private Security Services as well as service providers also authorized by Information Technologies and Communication Agency as per Law No. 6475 on Postal Services. On the other hand, marketing of products and services under retail receivables class and marketing of products and services under real estate and vehicle purchases and sales are determined as marketing activities to be obtained by the banks from support service institutions in order to benefit SME's access to finance. Finally, the said amendment revokes the condition of being a capital company for institutions that provide banks with marketing, information and document gathering, contract signing and delivery to banks.

➤ **Regulation on Amendment to the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (OG 30088 dated 06/06/2017):** Pursuant to provisions of section 4.2 of Appendix 4, "Calculation of Capital Liability for Risks Arising from the Counterparty" of the Regulation, notice to be submitted by banks to our Agency is revoked due to the fact that it serves only as a confirmation of the notice to be submitted by Takasbank to our Agency under Section 4.1 of Appendix 4 of the Regulation and does not include any additional bank specific information other than the Takasbank

member bank submits to our Agency. Furthermore, the provision under section 2.2 of Appendix 1 of the Regulation was amended as promulgated on the Official Gazette 29913 dated 09/12/2016 and banks have been made liable to notify credit rating agencies to our Agency instead of the Risk Center.

➤ **Regulation on Amending the Regulation on Financial Holding Companies (OG 30088 dated 06.06.2017):** An amendment has been made in the first paragraph (ç) of Article 4 of the Regulation since all the corporate governance and safeguarding provisions applied to the parent bank caused duplication on the application of the same to a financial holding company of which almost of all of its total assets owned by a bank.

➤ **Regulation on the Amendment to the Regulation on License-Based Transactions of Banks and on Indirect Shareholding (OG 30091 dated 09.06.2017):** Due to the fact that in the Law on Private Security Services No. 5188 and subordinate regulations, the use of private security services is conditional upon the request of the persons or organizations concerned and the number of persons who are required to carry out the service is determined in accordance with the will of the requesting persons or organizations (reserving the maximum number), the last provision of the fourth paragraph of Article 8 of the Regulation on Indirect Shareholding was amended as *"The banks take necessary security precautions in their branches by evaluating such factors as the size, transaction volume and physical conditions of the province, the provincial private security commission decision. It is mandatory that decisions regarding these measures must be in writing with justification"*.

➤ **Regulation on Amendment of the Regulation on Equities of Banks (OG 30121 dated 11.07.2017):** Paragraph 8b of article 9 of the Regulation was abolished and therefore, the practice that considering as discount items in the equity calculations the net book values of the goods and immovables that were obtained by the banks due to their receivables for the amounts that exceed the limit specified in Article 57 of the Law and that could not be disposed of within three years as per the same article was abolished.

➤ **Regulation on Amendment to the Regulation on Banks' Liquidity Ratio Calculation Methods (OG 30123 dated 13/07/2017):** It is ensured that the definition of SME is the same as the definition of SME defined in Article 3 of the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy".

➤ **Regulation on Amendment of the Regulation on Principles and Procedures Regarding Determination of the Classification of Loans and Other Receivables and the Required Provisions by Banks (OG 30127 dated 18/07/2017):** As also mentioned in the relevant document of Basel Banking Committee a similar provision that allows evaluating the non-performing consumer loans on a credit basis instead of debtor basis was specified in Article 5.5. of the Regulation on Principles and Procedures Regarding Classification of Loans and the Required Provisions as promulgated on the Official Gazette 29750 dated 22/06/2016 and became effective as of 01/01/2018 .

➤ **Regulation on Amendments to the Regulation on Procurement of Valuation Services by Banks and Authorization and Operation of Valuation Service Providers for Banks (OG 30152 dated 12/08/2017):** Amendments were made in order to regulate occupational liability insurance to meet the needs, to ensure that housing valuations are also fulfilled by housing valuation experts and contracted housing valuation experts in accordance with the principles and procedures stipulated in the Capital Markets Legislation and to clarify certain provisions of the Regulation.

➤ **Regulation on Amendment of the Regulation on Banks' Liquidity Ratio Calculation Methods (OG 30155 dated 15/08/2017):** Notification charts in the annex to the Regulation were revised so as to increase the ratio of the required reserves kept under Turkish Central Bank (TCMB) from 50% to 100% to be taken into account in the calculation of liquidity provisioning ratios.

➤ **Regulation on Amendment to the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies (OG 30157 dated 17/08/2017):** In case of the existence of more than one receivables from the same debtor which are independent of each other and which are included in the fourth paragraph of Article 6 of the Regulation and there is an exception regarding the provision of special allowances for other receivables in the event that special provisions are set for any of these receivables.

➤ **Regulation on Amendments to Regulation on Methods and Principles Applicable to Factoring Transactions (OG 30202 dated 06/10/2017):** The Regulation specified that invoice copies will not be required for the transfer of e-invoices

that are authenticated by Revenue Administration and invoice created under e-archive applications, and also the creditor will not be required to be the last endorser on the bill taken for the guaranteed import and export factoring transactions.

➤ **Regulation on Amendments to Regulation on Establishment and Operation Principles for Leasing, Factoring and Financing Companies, (OG 30217 dated 21/10/2017):** The said amendment stipulates that companies that will run according to interest-free operating principles will mention this in their article of association, carry out their operations thereunder and credit contracts signed by interest-free finance companies will comply with the interest-free operating principles.

➤ **Regulation on Amendment to the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies (OG 30217 dated 21/10/2017)** This amendment stipulates that all references to the term "interest" in the Regulation will be defined as profit share in terms of companies that will operate under interest-free operating principles.

➤ **Regulation on Amendment to the Regulation on Measurement and Evaluation of Liquidity Adequacy of Banks (OG 30230 dated 04/11/2017):** Notification charts in the annex to the Regulation were revised so as to increase the ratio of reserves kept under TCMB from 30% to 100% to be taken into account in the calculation of liquidity adequacy ratios.

➤ **Regulation on Amendments to Regulation on Merger, Transfer, Demerger and Share Exchange of Banks (OG 30242 dated 16/11/2017):** In order to ensure that transfer of a portion of a bank's assets so as not to create dissolution of the bank and creation of a subsidiary as a result of obtaining the transferred shares and rights of the bank, which is considered as a partial demerger, can be carried out under TTC and general provisions without being subject to Regulation on Merger, Transfer, Demerger and Share Exchange of Banks, it was deemed appropriate to remove the said demerger type from the scope of Regulation. However, while the type of partial division referred to is excluded from the scope of the Regulation, it has also been mentioned in the third paragraph added to Article 2

of the Regulation, as benefits are reserved to preserve certain important matters for banks. On the other hand, since the type of partial division has been excluded from the Regulation, necessary amendments have been made in other relevant provisions of the Regulation to ensure compatibility with the amendment made.

➤ **Regulation on Amendment to the Regulation on Credit Transactions of Banks (OG 30268 dated 12/12/2017):** With the said amendment, the limit for calculating the allowable vehicle credit amount was increased from TL fifty thousand to TL one hundred thousand.

➤ **Regulation on Amendments to Regulation on Establishment and Operation Principles for Leasing, Factoring and Financing Companies, (OG 30268 dated 12/12/2017)** With the said amendment, the limit for calculating the allowable vehicle credit amount was increased from TL fifty thousand to TL one hundred thousand.

➤ **Regulation on Amendments to Regulation on Principles and Procedures Regarding the Charges Applicable to Financial Consumers (OG 30279 dated 23/12/2017):** Arrangements have been made in order to limit the use of card-based bank fees in order to promote the use of other bank ATMs.

➤ Communiqués

➤ **Communiqué on Uniform Accounting Plan and the Guideline (Duplicate OG 30186 dated 20/09/2017):** Account titles and explanations are updated within the scope of classification principles given in "Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances" and financial instrument classes and the base for expected loss given in TFRS 9, "Financial Instruments". Within this scope, restructured loans accounts have been opened, the names of the financial asset accounts have been changed, and the accounts for monitoring the expected credit losses have been opened.

➤ **Communiqué on Uniform Accounting Plan and the Guideline Applicable to Participation Banks (Duplicate OG 30186 dated 20/09/2017):** Account names and explanations are updated within the scope of classification principles given in "Regulation on Principles and Procedures Regarding Classification of Loans and the Required Allowances" and financial instrument classes and the base for expected loss given in TFRS 9, "Financial Instruments". Within this scope, the restructured loans accounts have been opened, the names of the financial asset accounts have been changed, and the accounts for monitoring the expected credit losses have been created.

➤ **Communiqué on Amendments to Communiqué on Uniform Accounting Plan and Guidelines Applicable by Leasing, Factoring and Financing Companies (OG 30217 dated 21/10/2017):** In the mentioned regulation, an amendment was made to the expression of interest in the Communiqué expressing the profit share with respect to the companies that will operate according to the interest-free principles.

➤ **Communiqué on Amendment to the Communiqué on Credit Risk Reduction Methods (OG 29995 dated 02/03/2017):** The principles on how to correlate the collateral associated to a risk in case the financial collateral is taken into consideration in the reduction of the credit risk and the financial collateral to be taken into calculation against more than one risk have been determined and also the release of the collateral amount which is ineffective in the credit risk reduction following the decrease in the credit amount, or again it was allowed to be used in the reduction of credit risk.

➤ **Communiqué on Amendment of the Communiqué on Financial Statements to be Publicly Disclosed by Banks, and their Explanations and Footnotes (OG 29993 dated 28/02/2017):** With the amendment made in provisional article 2 of the Communiqué, the presentation of the data in the table of the liquidity coverage ratio on the console until 1/1/2018 has been taken into consideration in the presentation of the data which is valid on the last day of the month instead of daily data.

➤ **Communiqué on Amendment of the Communiqué on Financial Statements to be Publicly Disclosed by Banks, and their Explanations and Footnotes (OG 30127 dated 18/07/2017):** It was decided that the systemically important bank buffer ratio will be included under "Information on equity items" with the amendment of the Communiqué.

➤ **Communiqué on Amendment of the Communiqué on Financial Statements to be Publicly Disclosed by Banks, and their Explanations and Footnotes (OG 30186 dated 20/09/2017):** In accordance with the classification principles given in "Regulation on Principles and Procedures Regarding Classification of Loans and the Required Provisions" and the names of the financial assets included in the text of the related communiqué within the scope of anticipated loss provision with the classes of financial instruments included in TFRS 9 titled "Financial Instruments" the tables regarding the classification of the loans have been amended and the financial tables included in the annex of the Communiqué have been updated within the scope of the related regulations. Within this scope, separate financial statement formats have been set up for the banks that set aside the expected credit loss reserve in accordance with TFRS 9 or allocate provision according to the provisions of the Regulation.

➤ Regulations with Preparatory Work in Progress

➤ **Draft Regulation on the Calculation of the Net Stable Funding Rate of Banks:** "Basel III: The Net Stable Funding Ratio" issued by the Basel Banking Supervision Committee in January 2014, which constitutes an important element of the Basel III reforms, and the provision and maintenance of stable funding profiles for banks on and off balance sheet activities, is intended to prevent a disruption in resources from diminishing the level of liquidity, which would increase the risk that the bank cannot continue its activities on its own. In June 2016 and February 2017, we have published the frequently asked questions document, which was agreed to be published by Basel Banking Supervision Committee, in order to strengthen compliance with "Basel III: The Liquidity Coverage Ratio and

Liquidity Risk Monitoring Tools" document issued in 2013 by Basel Banking Supervision Committee that sets forth principles that enable banks use their current high quality liquid sets to fund their liquidity squeeze within 30 days without applying to use Turkish Central Bank's resources. Within this framework, a draft Regulation on the Calculation of the Net Stable Funding Rate of Banks has been prepared, taking into account frequently asked questions regarding the standard and application subject to the Basel III reforms.

➤ **Draft Communiqué on Amendment to the Communiqué on Financial Statements to be Publicly Disclosed by Banks, and their Explanations and Footnotes:** Explanations regarding the net stable funding ratio were accepted by Basel Banking Supervision Committee and published in June 2015 with the purpose of mitigating the market uncertainty, increasing market discipline, encouraging the implementation of guidelines on liquidity risk management that serves as the basis for strong liquidity risk management and supervision, and ensuring transparency of the regulatory funding requirement with the implementation of "Basel III: The Net Stable Funding Ratio" document published by Basel Banking Supervision Committee in January 2014. The common template that explains what are the stable fund resources and where they are used is expected to be completed and disclosed to public in financial statement terms by the banks of all member states of Basel Committee as it is for the framework of liquidity provisioning ratio. In this context, a draft amendment was prepared in order to mandate banks disclose to public the explanations and footnotes issued on the basis of "Net Stable Funding Ratio Disclosure Standards" documents in line with Basel III reforms pursuant to Communiqué on Amendment to the Communiqué on Financial Statements to be Publicly Disclosed by Banks, and their Explanations and Footnotes.

➤ **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.

➤ **Regulation on Amendment to the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies; Communiqué on Amendments to Communiqué on Uniform Accounting Plan and Guidelines Applicable by Leasing, Factoring and Financing Companies:** The planned amendment to the Accounting Regulations envisages that the obligation of companies for the allocation of provisions will be made optional on the condition of communicating it to the Agency, and if they chose to do so, companies may allocate provisions for credit losses that are expected within the scope of TFRS 9. However, taking into account the amendments to be made in the Accounting Regulation and TFRS 9 will be effective as of 01.01.2018 and the planned changes to be made in the Communiqué, some account names have been updated in line with the TFRS 9 and a description has been added to the account to monitor the expected loss provision amounts..

➤ **Regulation on Amendment of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks:** The "The Standardized Approach for Measuring Counterparty Credit Risk Exposures" document issued by Basel Banking Supervision Committee set forth changes to calculation of counterparty credit risk and specified that "standard approach to counterparty credit risk measurement" instead of "fair value measurement" and "standard method". In this context, a need has arisen to amend Annex-2 of the Regulation in order to ensure full compliance with Basel III. In addition, the "Capital Requirements for Bank Exposures to Central Counterparties" document set forth changes to calculation of capital liability against central counterparty risks. In this context, a need has arisen to amend Annex-4 of the Regulation in order to ensure full compliance with Basel III.

➤ **Communiqué on Amendment to the Communiqué on Credit Risk Reduction Methods:** With the planned amendment to the Regulation on Amendment of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, it is envisaged that "standard approach to counterparty credit risk measurement" instead of "fair value measurement" and "standard method". As a result of this, a need has arisen to amend the references to relevant parts of the Communiqué.

AUDIT ACTIVITIES

AUDIT ACTIVITIES

➤ Financial Supervision

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 subject to the supervision and regulations of the Agency and generating periodic reports.

These activities include analysis of risks encountered by institutions, 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, auditing activities are performed through audit manuals.

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

The Agency performs auditing activities with a risk-based and dynamic approach to ensure the effectiveness, continuity and adequacy of audits, and efficient use of auditing resources. Audit groups follow up the developments in the financial markets from updated resources and perform audits in line with guidelines drafted on the basis of international practices and Risk-Focused Auditing approach. With characteristics of being dynamic, prudential, effective and preemptive, Risk-based Supervision approach ensures determination of scope, scale, duration, content and intensity of the audit to be performed. Purpose of Risk-Based Supervision is to establish a holistic view on the financial strength of organizations, size of risks they encounter and quality of their risk management; and ensure early detection of trends that may threaten financial strength of organizations.

On-site supervision includes;

- Risk evaluation of banks and determination of risk profiles,
- Analyses of bank's assets, liabilities, equities, income and revenues, other factors with an effect on the financial state,
- Capacity and efficiency review of bank's internal control, risk management and internal audit systems,
- Supervision of bank's financial statements and records 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,
- Examination of issues regarding the specific activities of banks,
- Consolidated supervision of financial holding companies and/or parent company with subsidiaries 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 institutions 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 stage of the authorization,
- Supervising the payment institutions and electronic money institutions subject to Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions,
- Examination of petitions and complaints other than those received by the Agency on individual products and services and which require on-site audit,
- It consists of auditing activities such as inspections based on requests by the Prime Ministry Supervisory Board, Parliamentary Investigation Commissions, FCIB, prosecution offices and other public institutions.

Auditing process is reviewed and revised regularly in order to ensure it suits the **characteristics of Turkish banking sector, and compliant with the latest developments and best practices in banking audits.**

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 while the Agency's assessments on findings during or after the audit are based on these principles.

➤ Supervision Cycle

Onsite auditing process carried out by our Agency is established so as to provide a risk-oriented, dynamic, efficient and prudential supervision approach by taking into account

the international best practices including the Core Principles for Effective Bank Supervision of Basel Banking Committee. Auditing process is reviewed and revised regularly in order to ensure it suits the characteristics of Turkish banking sector, and compliant with the latest developments and best practices in banking audits. The most recent study was completed by the end of 2016, and auditing guidelines that were updated based on auditing methodology recommendations set forth in 2016 FSAP Report were put into force in 2017 upon approval of the Agency President.

The supervision cycle designed within the frame of Risk-Based Supervision Approach consists of consecutive processes.

Figure 2: Supervision Cycle



Determination of Supervision Strategy: At the first stage of on-site supervision within the scope of Risk-Based Supervision, 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. In this context, the banks that on-site audit will be performed at, auditing scope, audit groups, group presidents and on-site auditing teams are determined and submitted to the approval of the Presidency.

Risk Analysis Process (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 state of banks.

During the risk analysis phase of the audit cycle, the audit team makes a preliminary assessment of the bank's risk management capacity. This assessment is inclusive of assessment of the bank's internal systems, credit management and compliance functions. In this evaluation, the most recent risk assessment of the bank; Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis (CAMELS) rating; ICAAP (Internal Capital Adequacy Assessment Process) report; independent audit reports; internal systems reporting to our Agency and various documents, especially the database of our Agency are used.

At the risk analysis phase, magnitude of the risks arising from the bank's activities and assessments regarding the quality of risk management activities associated with these risks are determined on the basis of each risk and the results 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) within the scope of prudential supervision approach.

After the risk matrix is generated, audit teams drafts a risk analysis 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-based approach and provide a basis for the audit plan for the bank.

Benefits expected from the RAS system can be listed as follows;

- Maximum efficiency and consistency of the audit process,
- More systematic and instant monitoring of developments in the risk profiles and financial states 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.

Following the on-site audits at banks, a Risk Analysis Assessment 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 Department 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 Sworn-in 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.

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 ICAAP reports. The rating system consists of six assessment components: organization and management, adequacy of shareholders equity, funding structure and liquidity, quality of assets, balance of income and expenditures, and profitability and sensitivity to market risks. Ratings of all components are evaluated together and the final united rating of the bank is calculated. The final rating system implemented was based on the integration of risk assessments into the internationally accepted CAMELS approach and taking into account the audit needs of the Turkish banking sector. In addition, the compliance of the financial statements and records of the banks to the UAP and Turkish Accounting Standards is also evaluated.

ICAAP that include assessment of internal capital adequacy levels of banks and Auditing Authority's Review and Audit Process (İDES) are also included in the risk assessment and CAMELS rating process in accordance with Basel regulations.

Finally, the Financial State and Assessment Report issued for the bank is submitted to the Departments.

Complementary and Thematic Audits: Upon completion of CAMELS Rating and Risk Assessment processes, regulatory audit and the policies and processes on prevention of money laundering and finance of terrorism that are not submitted until the end of the audit term were reviewed in terms of compliance with international standards and FCIB regulations and audit findings and notification-complaint examinations were completed.

As a result of audits performed in 2017, a total of 259 reports and 19 Risk Analysis Assessments were drafted on Risk Analysis Assessments (RAM), Financial State and Rating Report, regulatory auditing, notifications and complaints, local branch investigations, etc.; and 363 assessments were issued on various

➤ Supervision Results

As a result of audits performed in 2017 by auditing teams under the Vice Presidency in charge of auditing, a total of 259 reports and 19 Risk Analysis Assessments were drafted on Risk Analysis Assessments (RAM), Financial State and Rating Report, regulatory auditing, notifications and complaints, local branch examinations, etc.; and 363 assessments were issued on various topics. The following table shows a comparison of the number of assessments and reports in 2017 with the previous year.

Table 4: Supervision Reports

Subjects	2016		2017	
	Number	Share %	Number	Share %
RAM	15	2.3	19	2.96
ÖNER*	21	3.2	-	-
Financial State and Rating Report	36	5.5	12	1.87
Regulatory Audit	74	11.2	87	13.57
Notifications and Complaints**	136	20.7	135	21.06
Examination of Domestic Branches	4	0.6	-	-
Examination of Overseas Branches and Affiliates	-	-	-	-
Examination of Legislation Applicable to Other Finance Institutions	15	2.3	7	1.09
Examination on Notifications and Complaints on Other Finance Institutions	4	0.6	18	2.81
Identification of Duty Losses	-	-	-	-
Assessments	353	53.6	363	56.63
Other	-	-	-	-
TOTAL	658	100.0	641	100.0

* 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. This information can be found in Protection of Financial Consumers section.

➤ Risk Management

Internal Capital Adequacy Assessment Process (ICAAP) Review

ICAAP included in Basel Capital Adequacy 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 ICAAP reports to the Agency as of the end of the year. In this frame, stress test scenarios were created, and ICAAP 2016 end-of-year reports prepared and submitted to the Agency by Turkish banks were reviewed in terms of contents and format by the Risk Management Department.

Other Activities

- Amendments on Regulations on Measurement and Evaluation of the Capital Adequacy of Banks (Capital Adequacy Regulation) and other relevant regulations within the scope of Regulatory Consistency Assessment Programme (RCAP) were reflected in the relevant forms in the reporting set that is obtained via Banking Data Transfer System (BVTS). Risk Management Directorate has made the necessary changes in the market risk forms affected by the changes in the market risk. A new form was created in line with the Credit Value Adjustment (CVA) risks provisions of Appendix 2 of Capital Adequacy Regulations. Furthermore, the capital adequacy and credit risk reporting sets affected by CVA were updated.
- Credit risk monitoring report was created as a result of studies conducted on reporting sets regarding the credit risk reported by the banks to Agency via Banking Data Transfer System (BDTS).
- An audit was conducted for participation banks in regards to filling the FR400AS (Standard Ratio Statement for Interest Rate Risk Arising From Banking Accounts) form included in our Agency's legal reporting sets issued in line with BHFOR Regulation for the ratios of Interest Rate Risk Arising From Banking Accounts (IRRAFBA).
- A review was made on authorization and matching for rating institutions, and reported.

- A pre-application qualification was made for 1 bank within the scope of calculating the amount subject to credit risk by way of internal rating approaches.
- We participated in group activities under sub-committees of Basel Banking Auditing Committee.

➤ Information Systems Audit

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 planned audits, special audits and operating license audits within the scope of audit guidelines. Two planned audits and two special audits were performed, and the operating license of one bank was audited within the frame of IT Audit Guidelines drafted by the Agency's personnel for IT audits. In addition to these activities, independent audit institutions also continued to perform audits.

The Agency's personnel performed planned audits, special audits and operating license audits within the scope of audit guidelines.

Table 5: Information Systems Audit Report

Scope of Audit	2016	2017
1. Performed by Independent Audit Institutions		
Information Systems + Banking/Business Processes	5	50
Banking/Business Processes	50	5
Information Systems + Banking Processes (Consolidated-Audit)	26	26
2. Performed by Agency Staff		
Scheduled Audit	1	2
Special Scope	4	2
Operation License	-	1
TOTAL	86	86

Independent Audit Tracking System (IATS) of the BRSA is efficiently used with all its functions, and findings of independent audits and Penetration test results are tracked from IATS.

IATS developed by the Agency's software and IT audit team is used to digitally monitor independent audit institution data on establishment, auditor, contract information, independent audit and Agency IT systems audit reports, report findings, summary information and action plans and penetration test reports, findings and action plans generated for the banks by independent audit institutions.

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

In line with the objectives of the 10th Development Plan, the 31st action under the "Action Plan for Decreasing the Unrecorded Economy Program" stated that "Necessary efforts will be made to encourage the use of debit cards and similar payment instruments in payment transactions as part of the fight against the cash economy" and our Agency, assigned as the responsible organization for this action, has conducted a workshop in February. Within the scope of the said action plan, we worked in cooperation with the sector to produce "Debit Card Use Public Service Ad" that aims at encouraging debit cards instead of cash in order to raise awareness among consumers through advertisement campaigns that focus on the fact that debit card payments are a safe and easy to use system.

NUMBER OF REPORTS
ISSUED AS A RESULT OF
IT SYSTEMS AUDITS

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We conducted meetings with representatives of banks, legal gaming industry, Spor Toto General Directorate and Financial Crimes Investigation Board (FCIB) within the scope of fight against illegal betting and gambling. We conducted activities for displaying a warning message to concerning bank customers that illegal betting and gambling are criminal actions that are subject to administrative sanctions for the purpose of preventing the use of Turkish bank cards and digital channels to transfer money to such illegal sites.

Institutions which wish to operate under the provisions of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions apply to the Agency for an operation license. "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.

IT systems audit reports of institutions which apply for an operating license are submitted to the IT Compliance Department and an opinion is provided on the adequacy of IT systems with regards to the Law and the Communiqué pursuant to Communiqué on Management and Audit of IT Systems of Payment Institutions and Electronic Money Institutions.

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 2017. Assessment works were carried out by following the action steps specified in internal practice procedure that was issued before the process in order to standardize the investigation process. 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 2017, we conducted assessments on IT systems within the scope of operating license applications of organizations and the process was implemented in coordination with the Agency's internal units. IT reports submitted to the IT Compliance Department were reviewed, independent audit institutions were contacted to take action and correct the failures to ensure that the reports are qualified for evaluation. Meetings were held with the applicant institutions on issues related with IT systems where necessary. With the said Communiqué, organizations that started their operations after obtaining operating licenses in regards to the mandatory independent IT system audits were ensured to have participated in IATS, and reports of IT systems audits carried out by independent organizations in 2017 will be issued in 2018.

The process of review of IT systems adequacy reports for payment and e-money institutions within the scope of operating license procedure continued in 2017.

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 "Decree on Operation, Management and Coordination of National Cyber Security Activities" dated 20.10.2012 by the Council of Ministers. National Cyber Issues Intervention Organization (NCIIO) and Industrial and Corporate Cyber Issues Intervention Teams (CIIT) assigned and authorized with the communiqués and guidelines issued after this Decree continue their operations.

Cyber events in banking industry are being monitored within the scope of Industrial CIIT activities by our Agency, acting as the regulation and auditing authority in banking industry which is identified as one of the critical infrastructure industries, and our Agency continues to work on preventing fraudulent actions carried out by using the banks as intermediaries in line with the activities regarding the potential measures that can be taken against cyber attacks.

In 2017, we have started to share and monitor cyber security notices from NCIIO and cyber event notices of Bank CIIT's that are submitted throughout the year via the joint platform that was established under NCIIO with the purpose of ensuring effective and secure communications with all CIITs in our country. In order to prevent risks to our nation's cyber space and to increase the safety of our country, the information reached to our Agency throughout the year was immediately communicated to the banks' CIIT teams and feedback was obtained about the actions taken and the current situations, and feedback was given to related institutions accordingly.

The Agency attended the evaluation of CIIT activities with NCIIO, Industrial CIITs 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;

- CIIT teams of banks have been informed in order to establish a solution against attacks to the sector and the minimum security measures to be taken in bank information systems have been shared with CIIT teams.
- Participation in the NCIIO-CIIT consultation meetings held within the Information Technologies and Communications Authority (ITCA) has provided information on the summary evaluation of the past year and the plans for the future year.
- In April we have participated in "Social Engineering Fraud Prevention Workshop" organized by ITCA with the participation of the justice, finance, telecommunication, cyber crime law enforcement representatives and the representatives of the private sector with the purpose of reinforcing cooperation between organizations and exchanging opinions in order to carry out an effective fight against social engineering fraud.

Cyber events in banking industry are being monitored by our Agency within the scope of CIIT activities, and we continue our efforts towards measures against attacks and acts of fraud using the bank and prevention methods.

MONITORING ACTIVITIES

MONITORING ACTIVITIES

Monitoring activities include supervising the development and compliance of financial and other indicators on banks and the banking industry based on our Agency's database, data provided by other institutions within the frame of bilateral agreements, audit reports and other internal and external information sources as well as the risks and analyzing them within the frame of macroeconomic developments and policies. In addition, current and potential risks and possible effects of the regulations to be implemented are assessed. In this sense, periodic reports issued on a bank and industry basis, studies and information notes are shared with the relevant units and top management.

All monitoring activities are now organized by Audit IV Department as per the Prime Ministry Approval 12551 dated 13.03.2013 to strengthen the monitoring function, increase its effectiveness and ensure sustainability, coordination and standardization. With this organizational change, monitoring activities performed by various Audit Departments were collected under Audit IV Department and the BRSA audit structure was further strengthened and sustainability, coordination and standardization of monitoring activities were ensured.

Within the scope of Regulation on Principles and Procedures Regarding the Audit Performed by Banking Regulation and Supervision Agency, and the relevant Presidency Approval:

- Follow up and evaluation of the change in financial state and performance with periodic reports,
- Follow up of ratings using the previous on-site audit results and current data,
- Ensuring on-time identification of the change in financial state and performance through early warning systems,

Table 6: Bank Monitoring Reports

Bank Monitoring Reports	2017
Monthly Report	38
Weekly Report	218
Legal Limits Report	338
Monthly Ratio Report	263
TOTAL	857

- Bank-based monitoring activities,
- Industry and institution-based follow up and analyses of financial institutions,
- Notification of relevant units on non-compliance and reporting errors identified through institution reports,
- Stress tests and scenario analyses,
- Regulatory compliance analysis,
- Analysis of the impact of regulations,
- Participation in meetings with domestic and foreign institutions, auditing authorities and banks,
- Other oversight activities

are being carried out.

Within the scope of surveillance activities, staff members responsible for oversight of banks create reports, information notes and assessments 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 ranked through bank-based rating/classification activities and bank-based detailed industrial reports.

In 2017, **857** bank-based reports were created including **38** monthly and **218** weekly reports.

As part of sector monitoring activities; monitoring reports, assessment 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 **180** reports, assessment notes and presentations were prepared in 2017.

Table 7: Sector Reports

Sector Reports (*)	2017
Weekly Presentation	48
Weekly Agency Meeting Presentation	48
Turkish Banking System Main Indicators Presentation	12
Turkish Banking System Key Data Report	12
Credits Report	4
Stress Test Report and Presentation	4
CRO Report on Individual Loan Rating Results	1
Other Reports & Studies	51
TOTAL	180

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

The bank-level monitoring reports and sector monitoring 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.

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, this test also serves as an early warning system. We carry out activities for developing the stress test by taking into account the new methods and approaches.

Besides monitoring activities, the Board Chairman and Members are continuously informed on developments in the banking sector through presentations and assessment notes, opinions are provided when requested, various working groups

In 2017, a total of 857 reports issued on a bank basis and 180 reports issued on an industry basis.

are actively participated, and information requests of other public institutions are responded. In addition, the Monitoring Department participates in meetings with rating institutions, foreign investors and other authorities and thus contributes to the promotion of the finance system and the sector as well as represent the Agency.

➤ Monitoring of Economic Indicators

Economic Research Group established among the personnel of Economic Research Department and Department of Audit IV carries out:

- Monitoring of national and international economic and financial indicators,
- Monitoring of macroeconomic data that is disclosed on a weekly, monthly and quarterly basis on Turkish economy,
- Monitoring and assessment of reports issued by national and international research institutions about Turkey,
- Closely monitoring of decisions and announcements made by the national and international authorities and developing of vision based on these,
- Submitting of information and analysis based findings to senior management

activities.

ENFORCEMENT ACTIVITIES

ENFORCEMENT ACTIVITIES

➤ Licensing and Authorization Activities

Establishment & Operation Licenses 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 approval pursuant to Banking Law and the applicable legislation.

In this framework;

- Establishment, operation, share transfer, merger, transfer, branch and representative's office opening authorizations are issued for banks, and the authorizations other than representative's office opening license are issued for non-bank financial institutions, namely financial leasing, factoring and financing companies,
 - The procedural tasks for capital increase requests of banks and financial leasing, factoring and financing companies are realized,
 - 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 license applications field 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,
 - Authorization procedures are carried out for payment and electronic money institutions which will provide payment services and issue electronic money within the scope of Law No. 6493

In 2017, establishment licenses were given to 4 asset management companies and 1 private finance company; operation licenses were given to 1 bank, 3 asset management companies, 7 payment institutions and 5 electronic money institutions; and valuation authority was given to 6 valuation companies.

In 2017, establishment licenses were given to 4 asset management companies and 1 private finance company; operation licenses were given to 1 bank, 3 asset management companies, 7 payment institutions and 5 electronic money institutions; and valuation authority was given to 6 valuation companies.

Table 8: Establishment & Operation Licenses and Authorization Procedures

Name of Institution	Date and Number of Decision	Type of Licensing
Banks		
Bank of China Turkey A.Ş.	01.12.2017-7612	Operation
Payment Institutions & Electronic Money Institutions		
Octet Express Ödeme Hizmetleri A.Ş.	26.01.2017/7222	Operation
İninal Ödeme ve Elektronik Para Hizmetleri A.Ş.	23.03.2017/7282	Operation
Sender Ödeme Hizmetleri A.Ş.	11.05.2017/7322	Operation
Efix Ödeme Hizmetleri A.Ş.	26.05.2017/7345	Operation
Buradaöde Ödeme Kuruluşu A.Ş.	08.06.2017/7370	Operatony
Ria Turkey Ödeme Kuruluşu A.Ş.	16.06.2017/7378	Operation
CEO Ödeme Hizmetleri A.Ş.	21.06.2017/7397	Operation
Hızlıpara Ödeme Hizmetleri ve Elektronik Para A.Ş.	21.06.2017/7398	Operation
Paladyum Elektronik Para ve Ödeme Hizmetleri A.Ş.	13.07.2017/7410	Operation
Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş.	20.07.2017/7433	Operation
Vodafone Elektronik Para ve Ödeme Hizmetleri A.Ş.	20.07.2017/7434	Operation
Aypara Ödeme Kuruluşu A.Ş.	23.08.2017/7476	Operation
Financing Companies		
Turkcell Özel Finansman A.Ş.	06.10.2017 / 7552	Establishment
Valuation Companies		
Varlık Taşınmaz Değerleme ve Danışmanlık A.Ş.	10.03.2017/7264	Valuation
Çelen Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	01.06.2017/7362	Valuation
Yeditepe Grup Gayrimenkul Değerleme ve Danışmanlık A.Ş.	08.06.2017 / 7369	Valuation
Uzman Gayrimenkul Değerleme ve Danışmanlık A.Ş.	17.08.2017/7462	Valuation
24 Taşınmaz Değerleme ve Danışmanlık A.Ş.	15.09.2017/7495	Valuation
Kuzey Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	07.12.2017/7629	Valuation
Asset Management Companies		
Emir Varlık Yönetim A.Ş.	10.03.2017/7265	Establishment
Armada Varlık Yönetim A.Ş. (Guarantee)	16.03.2017/7276	Establishment
Merkez Varlık Yönetim A.Ş.	26.05.2017/7344	Establishment
Arsan Varlık Yönetim A.Ş.	07.12.2017/7628	Establishment
Çözen Varlık Yönetim A.Ş.	21.06.2017/7394	Operation
Emir Varlık Yönetim A.Ş.	13.07.2017/7408	Operation
Met-Ay Varlık Yönetim A.Ş.	21.12.2017/7646	Operation

On the other hand, licenses of 1 bank, 1 leasing company, 1 factoring company, 2 asset management companies, 1 payment institution and 4 valuation companies were cancelled due to various reasons.

Table 9: Cancellation of Operation Licenses and Authorizations

Name of Institution	Grounds for Cancellation	Date and Number of Decision
Banks		
Istanbul Central Branch of The Royal Bank of Scotland Plc. Headquartered in Edinburg	Own Request	11.05.2017/7326
Financial Leasing		
Pamuk Finansal Kiralama A.Ş.	Own Request	15.09.2017/7494
Factoring		
De Lage Landen Faktoring A.Ş.	Own Request	05.01.2017/7183
Valuation		
A Pozitif Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Own Request	13.04.2017/7304
Peritus Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Own Request	13.04.2017/7304
Beta Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Own Request	17.08.2017/7464
Kale Taşınmaz Değerleme ve Danışmanlık A.Ş.	Based on the CMB Decision	28.09.2017/7531
Asset Management		
Bebek Varlık Yönetim A.Ş.	Own Request	10.02.2017/7231
Tamer Varlık Yönetim A.Ş.	Own Request	26.10.2017/7588
Misyon Ödeme Hizmetleri A.Ş.	Own Request	13.04.2017/7303

As of the end of 2017, 15 permit and authorization requests are being evaluated by the Agency.

Table 10: License and Authorization Requests Under Evaluation

Company	Type of Procedure	2016	2017
Bank	Application for Establishment / Operation License / Request for Authorization	1	-
Factoring Company	Application for Establishment / Operation License	1	-
Financing Company	Application for Establishment / Operation License	1	1
Independent Auditor Company	Request for Authorization	-	-
Valuation Company	Request for Authorization	4	-
Card System Institution		-	-
Payment Institutions & Electronic Money Institutions	Application for Operation License	-	10
Rating Company	Request for Authorization	-	-
Asset Management Company	Application for Establishment / Operation License	5	4
Foreign Bank	Request for Opening a Representative's Office	1	-
Bank Established Abroad	Request for Opening a Branch	-	-
TOTAL		13	15

➤ Authorizations for Share Transfer, Merger and Division

In 2017, various authorizations 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 Decision number 7393 of the Agency dated 21.06.2017, it was decided pursuant to Article 18.6 of the Banking Law 5411 that HSBC Bank PLC that owns 99.99% of the shares of HSBC Bank A.Ş. may transfer all of their shares to HSBC Middle East Holdings B.V. and HSBC Bank Middle East Limited; that HSBC Middle East Holding B.V. will have direct share of 89.99% and HSBC Bank Middle East Limited will have direct share of 10.01% in HSBC Bank A.Ş. so that HSBC Middle East Holdings B.V. will have direct and indirect total of 99.99% shares in HSBC Bank A.Ş.; that HSBC Bank PLC's direct shares in HSBC Bank A.Ş. will reduce from 99.99% to 0%.

2 - With the Decision number 7556 of the Agency dated 13.10.2017, it was decided pursuant to Article 18.6 of the Banking Law 5411 that as a result of transfer of 3.7% of Société Fédérale de Participations et d'Investissement's shares in BNP Paribas SA to third parties, their indirect shares in BNP Paribas Yatırımlar Holding A.Ş., which holds 23.5% capital share in Türk Ekonomi Bankası A.Ş. (Bank), and in BNP Paribas Fortis Yatırımlar Holding A.Ş., which holds 21.2% capital share in the Bank, will be reduced from 10.3% to 7.7%.

3 - With the Decision number 7525 of the Agency dated 28.09.2017, it was decided pursuant to Article 18.6 of the Banking Law 5411 that as a result of the restructuring of Bank of America Corporation, the indirect shares of Bank of America Global Holdings S.a.r.l. and Merrill Lynch International Incorporated, which have direct shares in Merrill Lynch Yatırım Bank A.Ş. (Bank), will be reduced to 0%; and BofAML Jersey Holdings Limited will have an indirect share of 100% in the Bank.

4- With the Decision number 7266 of the Agency dated 16.03.2017, the increase of Jak KONDU's share in Eko Faktoring A.Ş. (Company) capital from 8.05% to 10.13% was approved in accordance with article 11 of Leasing, Factoring and Financing Companies Law No. 6361, without prejudice to the provisions of other relevant regulations; and as a result of the transfer of Group A shares of Coöperatieve BVS Financial Services UA in the Company that totals to 28.46% to the Company and its shareholders, the cancellation of privileged right to appoint members to the board of directors of the Company was approved pursuant to article 11.2 of the said Law

5- With the Decision number 7296 dated 30.03.2017 of the Agency, the transfer of shares of Güngör Urcan in Mert Finans Faktoring Hizmetleri A.Ş. (Company) to his wife Fatma Urcan and children Emre Urcan and Eda Urcan due to his death and increase of Emre Urcan's and Eda Urcan's shares from 23.76% to 41.66%, and Fatma Urcan's from 4.23% to 16.16% was approved in accordance with article 11 of Leasing, Factoring and Financing Companies Law No. 6361, without prejudice to the provisions of other relevant regulations.

6- With the Decision number 7401 dated 06.07.2017 of the Agency, Klan Yatırım Holding A.Ş. was permitted to have 99.99% share in the capital of Destek Faktoring A.Ş. in accordance with article 11.1 of Leasing, Factoring and Financing Companies Law No. 6361, without prejudice to the provisions of other relevant regulations.

7- With the Decision 7559 dated 13.10.2017 of the Agency; the merger between Kapital Menkul Değerler A.Ş. and Kapital Faktoring A.Ş. by way of transferring the former to the latter was approved in accordance with article 12.1 of Leasing, Factoring and Financing Companies Law No 6361 and article 9 of the Regulation on Amendments to Regulation on Establishment and Operation Principles for Leasing, Factoring and Financing Companies, without prejudice to the provisions of Turkish Commercial Code 6102 and other relevant regulations.

8- With the Decision 7442 dated 10.08.2017 of the Agency, it was permitted to Doğan Şirketler Grubu A.Ş., who holds 48% of the shares of DD Finansman A.Ş. (Company), to purchase 49% of the shares of Deutsche Bank A.G. capital in accordance with article 11 of Leasing, Factoring and Financing Companies Law No. 6361, without prejudice to the provisions of Turkish Commercial Code and other relevant regulations.

9- With the Board Decision 7567 dated 19.10.2017 and in line with Article 25 Paragraph (1) of Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions, Paytrek Ödeme Kuruluşu Hizmetleri A.Ş. direct shares owned by Hüsnü Cemal HAMİTOĞULLARI and Kadir PEKEL were decreased to 0% from 10%.

10- With the Decision 7443 dated 10.08.2017 of the Agency, it was permitted that Görkem Aytekin SÖZER's direct shares of 46.12% in Ödeal Ödeme Kuruluşu A.Ş. will be transferred to Zekeriye KONUKOĞLU, whose direct shares in the company will increase from 9.6% to 55.7% pursuant to Article 25.1 of the Law No. 6493.

11- With the Decision 7198 dated 12.01.2017 of the Agency, Vostok Emerging Finance Ltd. was permitted to obtain direct shares of 20.93% in Iyzico Ödeme Hizmetleri A.Ş., and the current shareholder Pahicle Invest GmbH to decrease direct shares from 26.81% to 18.36% pursuant to Article 25.1 of the Law No. 6493.

12- With the Decision 7197 dated 12.01.2017 of the Agency, D Portal Yatırımları A.Ş. was permitted to have indirect share of 44% in D Ödeme Elektronik Para ve Ödeme Hizmetleri A.Ş., and Doğan Portal ve Elektronik Ticaret A.Ş. to decrease indirect shares in the company to 0% pursuant to Article 25.1 of the Law No. 6493.

13- With the Decision 7532 dated 28.09.2017 of the Agency, Merkez Faktoring A.Ş. was permitted to transfer its shares of 49.98% in Destek Varlık Yönetim A.Ş. as well as the shares of Namık Bahri UĞRAŞ and Erhan ÖZÇELİK totaling to 0.02% to Lider Faktoring A.Ş.

14- With the Decision 7252 dated 23.02.2017 of the Agency, it was approved that Turkasset Varlık Yönetim A.Ş. will be transferred to Hayat Varlık Yönetim A.Ş. with all rights, receivables, payables and liabilities, Turkasset VYŞ will be dissolved without liquidation.

15- With the Decision 7441 dated 10.08.2017 of the Agency, and in line with the increase of Evkur Finansman A.Ş. (Company) paid-up capital from TL 600,000,000 to TL 900,000,000, Dilara KAN was permitted to increase her share in the company from 5% to 11% in accordance with article 11 of Leasing, Factoring and Financing Companies Law No. 6361, without prejudice to the provisions of Turkish Commercial Code and other relevant regulations.

➤ Cross-Border Operation, Representative's Office and Branch Opening Licenses

In 2017, 1 bank was given license to operate abroad by obtaining banking license; 1 bank was given license to open a representative office abroad; and 1 bank was given license to open a branch abroad.

Table 11: Acquisition of Subsidiaries / Opening Branches / Representative Offices Abroad

Bank Name	Country-License	Date / Number
T.C. Ziraat Bankası A.Ş.	Georgia - Operation	12.01.2017 - 7196
Akbank T.A.Ş.	Dubai - Representation	10.02.2017 - 7229
Albaraka Türk Katılım Bankası A.Ş.	Iraq (Baghdad) - Branch	20.07.2017 - 7432

In 2017, applications of 3 foreign banks to open a representative office in Turkey were approved, and Kentbank D.D. and EFG Bank AG Representative Offices started to operate within the year.

Table 12: Banks Established Abroad and Authorized to Open a Representative Office

Bank Name	Country of Origin	Date - Number	Date of Activity
EFG Bank AG	Switzerland	16.06.2017 - 7382	11/09/2017
Kentbank D.D.	Croatia	15.09.2017- 7489	16/11/2017
Emirates NBD Bank PJSC	United Arab Emirates-Dubai	06.10.2017-7548	-

In 2017, Axion Swiss Bank S.A., Goldman Sachs International Bank, Intesa San Paola S.P.A., and BSI S.A. Representative offices were closed.

➤ 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 monitoring activities and
- Information and documents from banks, non-bank financial institutions, independent audit institutions, and other persons, entities and institutions

are evaluated collectively.

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 monitoring 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 onsite auditing and monitoring activities and the assessment of notifications and complaints in 2017 and within the scope of Banking Law 5411 and Leasing, Factoring and Financing Companies Law 6361; criminal charges that were filed during the year included 30 cases regarding unlicensed operation; 53 cases regarding embezzlement; 22 cases regarding failure to take regulatory, corrective and restrictive measures; and 1 case regarding damage of reputation. Also, 75 temporary abolishment of signatory powers were enforced.

A total of 630 administrative fines were imposed including 564 to banks, 1 to foreign bank representative offices, 28 to leasing, factoring and financing companies, 15 to independent audit companies, 1 to asset management companies, 3 to payment institutions and electronic money institutions, and 18 to information exchange companies.

Table 13: Distribution of Administrative Fines

Institution	2017	
	Number	Share %
Banks	564	89.5
Foreign Bank Representative Offices	1	0.2
Financial Leasing, Factoring & Financing Companies	28	4.4
Independent Auditor Companies	15	2.4
Valuation Companies	0	0.0
Asset Management Companies	1	0.2
Payment Institutions & Electronic Money Institutions	3	0.4
Other	18	2.9
TOTAL	630	100.0

PROTECTION OF FINANCIAL CONSUMER

PROTECTION OF FINANCIAL CONSUMER

One of the prerequisites of a healthy financial system requires that rights of individuals using this system is ensured. To this end, the Financial Consumer Affairs Department, which was established as a separate department under the Agency in 2013 to operate for the protection of financial consumers, continued to work on auditing, regulation and implementation in 2017 within the scope of Article 19 of the Banking Regulation and Supervision Agency Organization Regulation.

All applications and complaints received by the Agency are first transferred to the Financial Consumer Affairs Department and are subject to preliminary consideration by the Preliminary Examining Unit within the Department and the ones that do not fall within the scope of duties are directed to the relevant institutions and organizations and the relevant units of the Agency. If it is deemed necessary to conduct inspections by the Agency, the relevant applications are transferred to the supervisory unit within the department and they are examined by the personnel in charge at the unit and reported accordingly.

It is possible to submit applications from six different channels to the Agency, including information acquisition system, electronic complaints system, petition, call center, Presidential Communication Center (CİMER), Prime Ministry Communication Center (BİMER). Information procurement system, electronic complaints system, petition and call center among these channels are directly controlled by the Agency, and petition and information acquisition system is operated under the Law 3071 on Exercising of Petition Right and Right to Information Law 4982. The electronic complaints system and the call center are alternative channels created to enable the financial consumers to submit applications and complaints to the Agency in an easier and faster method.

Table 14: Channel-Based Classification of Applications Received by the Agency

Complaint Channels	2016		2017	
	Number	Share %	Number	Share %
Information Procurement System	4,434	8.0	3,144	5.0
Petition	4,981	9.0	2,920	5.0
E-Complaint	22,502	42.0	21,801	34.0
CİMER	2,681	5.0	9,695	15.0
BİMER	19,571	36.0	26,856	42.0
TOTAL	54,169	100.0	64,416	100.0

The classification in the table shows that we have received a total of 64,416 applications in 2017, 27,865 of them were received through our direct channels including Information Procurement System, petition and electronic complaint system; and 36,551 of them were received through CİMER and BİMER.

It is possible to submit applications from six different channels to the Agency, including information procurement system, electronic complaints system, petition, call center, Presidential Communication Center (CİMER), Prime Ministry Communication Center (BİMER).

Through the electronic complaints system, complaints and issues raised by the applicants are notified to the relevant bank and the bank is instructed to solve the issue and inform the customer. As of December 2017, a total of 21,801 applications were received through the electronic complaints system which was integrated into the e-state system.

Communication with the financial consumer is initiated via the call center, which is another alternative channel for communication with the Agency, and financial consumer is given information about the transactions that can be done about the complaint, or referred to the concerning institutions in case the complaint does not fall within the scope of duties of the Agency. In 2017, 31,808 calls were received by the Agency call center, which has been operating since the last quarter of 2014 and has been used extensively by financial consumers.

The following table shows the channel-based classification of the applications received by the Agency in 2017 through channels that can be applied in writing.

Electronic complaints system, which has been operating since 2014, has been the most used channel by financial consumers in 2016 whereas BİMER system, which is not a direct channel of Agency, has been the most used channel in 2017. 42% of 64,416 complaints were received through e-complaint. Electronic complaints system has been the second most used channel after BİMER with a share of 34%.

Subject-based classification of complaints received by Agency through CİMER, BİMER Information Procurement System, petition and electronic complaint system in 2017 is given in the table below.

Table 15: Subject-Based Classification of Applications Received by the Agency

Application Subjects	CİMER	BİMER	Petition	Information Procurement System	E-Complaint	Total Number	Share%
Consumer Credits	2,105	7,497	544	749	5,171	16,065	24.9
Commercial	461	1,137	390	162	37	2,186	3.4
Debit & Credit Cards	887	3,339	349	310	7,015	11,900	18.5
Alternative Distribution Channels	192	560	27	29	1,361	2,169	3.4
Deposit/Participation Fund Transactions	1,463	3,244	633	373	2,604	8,317	12.9
Overdraft Account Transactions	31	88	14	20	3,134	3,287	5.1
Non-Banking Institutions	264	618	139	191	91	1,453	2.3
Check-Related Issues	49	178	63	13	0	303	0.5
Execution-Related Issues	277	440	81	25	0	824	1.3
Applications Regarding Banks Transferred to the Savings Deposits Fund	57	43	156	211	0	467	0.7
Disclosure of Confidential Information of Customer	49	168	22	20	213	472	0.7
Assistance/Credit Requests	2,196	6,659	116	141	1,041	10,154	15.8
Requests for Employment in the Agency/Bank	61	51	2	51	0	165	0.3
Requests for Information, Document, Advise, Opinion from the Agency	129	374	131	631	0	1,265	2.0
Applications that do not fall within the scope of duties of the Agency /Applications with Unknown Content	829	1,096	53	100	0	2,078	3.2
Problems with Bank Personnel	125	643	56	33	0	857	1.3
Working Conditions/Mobbing in Bank	78	86	8	3	0	174	0.3
Insurance Transactions/ BES	416	429	116	72	1,134	2167	3.4
Investment Products and Services	27	57	20	10	0	114	0.2
TOTAL	9,695	26,856	2,920	3,144	21,801	64,416	100.0

The distribution of 64,416 applications is as follows: 24.9% individual loans, 18.5% debit and credit cards, 15.8% requests for assistance and credit, 12.9% deposit and participation fund transactions, 5.1% overdraft account transactions, 3.4% commercial transactions, 3.4% alternative distribution channels, 2.3% non-banking institutions; and applications regarding the individual loans includes credit score, credit history and black list problems (12.4%), and early payment and restructuring of credit (3.4%). The second most complained-about topic was debit-credit cards while credit card charges, costs and commissions; and objections to a credit card expense, loss-stolen cards and fraud thereof were 4.7% and 3.5% 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. Within the scope of the Agency's audit activities, 156 reports and 14 comments were prepared in 2017 and 89 Board resolutions were adopted as a result of the audits. With these Board resolutions, 97 administrative fines were imposed, 7 criminal charges filed, 5 signatory powers were abolished and a total of TL 2,120,568 administrative fine was applied to the banks.

TOTAL NUMBER OF COMPLAINTS RECEIVED BY THE AGENCY

64,416

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. Within the scope of the Agency's audit activities, 156 reports and 14 comments were prepared in 2017 and 89 Board resolutions were adopted as a result of the audits.

In order to resolve the disputes between financial consumers and banks, the committees of arbitrators established in the framework of the institutions' associations where the banks are members in the scope of Article 80 Clause (j) of the Banking Law No. 5411, were provided with the participation of representatives from the Agency as well as the banks also in 2017.

Complaints handled by the Customer Complaint Arbitrators Committees 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 for e-commerce was made subject to the approval of the card holder. Before the date of enforcement which was determined as 31.01.2018, the banks have been required to receive the approval of the card holder for their card to be used for electronic trading. Through these enforcements, it is possible for the card holder to make a conscious choice when approving the card for internet use, providing information to the entire cardholders of the bank and increasing the awareness of the transactions that can be done with the card of the cardholders who do not even know that their card is open to internet processing.

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

SHARE OF COMPLAINTS ON INDIVIDUAL LOANS AMONG THE TOTAL NUMBER OF COMPLAINTS

24.9%

Law No. 6502 specifies the commissions to be charged for products and services offered by banks and finance institutions to financial customers. Studies are underway to establish the technical infrastructure of the advertising format developed for the presentation of fees applicable to individual customers classified by the Regulation on Charges to financial consumers on a comparable platform. The fees collected from individual customers and displayed on a bank basis have continued to be published in 2017 under the heading "Banking Products and Services" in the website of the Agency.

Article 14 of the Regulation on Charges that governs transactions on other institutions' ATMs was amended in 2017. In the use of common ATMs, the fees charged for transactions made by using other banks' ATMs have been restricted in order to reduce the fees charged to financial consumers and hence to spread the use of common ATMs. In this context, the amendment made in the second paragraph of Article 14 of the Regulation on Charges was published in the Official Gazette dated 23.12.2017.

Complaints handled by the Customer Complaint Arbitrators Committees 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 for e-commerce was made subject to the approval of the card holder.

INFORMATION MANAGEMENT SYSTEMS

INFORMATION MANAGEMENT SYSTEMS

➤ Data and System Management

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

➤ Electronic Document Management System (eBYS):

System improvement/development activities based on requests by the Agency personnel continued in 2017. Registered Electronic Mail (REM) whose integration has been completed by the end of 2016 has become available for documents sent out of the Agency when there are appropriate users, and documents sent via REM by senders using REM have also started to be distributed to the related units via eBYS. Banks were informed on REM and encouraged to start working for sending and receiving e-correspondence packages via REM.

➤ Renewal of Agency's Website:

In order to renew the design and infrastructure of the web site of the Agency in line with the developing technology, work on the establishment of a new web site has started. In this context, the opinions of the other units have been taken for the new web site to be created and the content management system for this, and infrastructure, architecture and front face designs have been started to be formulated by performing requirements analysis in this direction. The new version of the institution's website is planned to be launched in the first half of 2018.

➤ Renewal of Agency's Intranet:

We have started to work in order to renew the Agency's intranet site in line with the requirements. In this context, the intranet site which is already in use and internal requirements are analyzed and the development of a new intranet site suitable for the modern design principles which are open to development and expansion is started. This project is planned to be completed in 2018.

➤ Information Exchange with Other Institutions and Organizations:

In 2017, 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.

In this frame, a protocol was made between OSYM and our Agency in order that new versions of data access services offered by OSYM can be used by our Agency. Within the

In 2017, the Agency's data was reviewed as **"Big Data"** and R&D activities continued for the purpose of improving the data collection, verification and processing. The purpose of these efforts is to ensure **the scalability of the financial data and provide a fast query process.**

context of the protocol, necessary developments have been made in the applications within the Agency and the renewed services have started to be used.

In addition, the infrastructure works for the use of UYAP internet services within the scope of the protocol signed with the Ministry of Justice have been completed and necessary software development works have been carried out for UYAP integration of related institutional practices.

➤ E-Complaint Application:

E-Complaint application was updated in line with the requests by complainants, banks and internal users, processes were accelerated and various reporting options were provided. E-Complaint application was given access via e-state website.

➤ Big Data Activities:

In 2017, the Agency's data was reviewed as "Big Data" and R&D activities continued for the purpose of improving the data collection, verification and processing. The purpose of these efforts is to ensure the scalability of the financial data and provide a fast query process.

➤ Legal Monitoring System:

Development and improvement studies on the Legal Monitoring System, established in 2016, were continued in 2017 in order to follow up the cases monitored by the Agency and the transactions established within these cases. Furthermore, within the framework of the protocol signed between our Agency and the Ministry of Justice, integration of Legal Monitoring System with the UYAP system was started. UYAP integration for many modules of the Legal Monitoring System has been provided in this direction and will continue in 2018 for the integration of the modules that have not yet been integrated within the framework of institutional requirements.

➤ Human Resources Test:

The necessary improvements and developments in the application of the Agency Human Resources department for the recruitment of Professional Personnel and Administrative Personnel by way of testing were continued in 2017 as well. Substantial changes have been made in the data access services offered by other public institutions and used by the application for verification purposes, and changes have also been made in applications developed by our Agency. With the updates made in this context, Application continued to be used in examinations held in 2017.

➤ Auxiliary Services Applications:

New modules have been added to the Application, which is used within the intranet infrastructure of the Agency and used in related units, within the scope of requests coming in 2017. Errors in the Application were corrected, the requested improvements were made in the program, and a new module was used for the subcontractor workers.

➤ KamuNet Project:

We have participated in KamuNet network within the framework of protocol signed between the Ministry of Transportation, Marine and Communication and Türk Telekom in accordance with the Prime Ministry Circular issued on KamuNet project.

Within scope of data collection process; banks, leasing, factoring, finance, asset management companies, electronic money and payment institutions and Turkish representative offices of foreign banks submit 201 types of forms on a daily, weekly, monthly, quarterly, semi-annual and annual basis. 116 of forms are received directly subsequent to a legislation while 85 of them are received for auditing and supervision purposes.

In order to increase the data quality, we conducted studies on the improvement of metadata of forms/data received via Banking Data Transfer System (BDTS). National and international data classification criteria for the filling of standard information fields such as "Country Code", "Money Code" and "Activity Classification (NACE Code)" in the forms being received via BRSA Reporting System (BRS), and guidelines have been prepared on the basis of internationally comparable classification systems created for this purpose. It has also participated in the working group formed with the participation of the representatives of the relevant Institutions in order to establish the data definition harmony in the public sector in general.

According to the related legislative updates, the whole of the reporting set was reviewed and the designs and explanations of 68 monitoring forms were changed.

In order to test the consistency of information on the reported forms, we create check lists and review cross-reference set in both form updates and quality process.

Changes in periodic reports that are checked are carried out with the consent of the Agency in order to improve data quality. Through the application created for this purpose information update is completed by the parties concerned.

Approximately 5 thousand e-mail notifications have been received regarding the problems faced by organizations

reporting via BDTS and solutions for these e-mails have been delivered to the parties through the e-mail channel.

Organizations that start operations in 2017 were defined in BDTS to ensure they submit their periodic reports to the Agency, and BDTS access was cancelled for organizations with abolished operating licenses within the year.

Information exchange with domestic and international institutions and the public is carried out under principles of privacy, integrity and accessibility of data.

With the purpose of informing the public, key balance sheet items in banking industry are presented on a daily basis; credit deposits and off-balance sheet liabilities are presented on a weekly basis; and key financial statements, credit portfolio, deposit distribution and types, off-balance sheet liabilities, liquidity, capital adequacy and foreign currency positions of banks are presented on a monthly basis. FinTürk and "Key Banking Indicators" as well as key financial statements and receivables of leasing, factoring and financing companies are presented in leasing, factoring and financing company bulletins on a quarterly basis. It is also possible to access English versions of daily and monthly information, and as of September 2017, English version of the quarterly bulletin that includes information on "Key Banking Indicators", key financial statements and receivables of leasing, factoring and financing companies have been published. A total of 274 periodicals were presented to the public during the year.

Independent auditing and activity reports of banking and non-bank financial institutions are presented to the public through our web site and access to financial institution information expressed from a single interface is provided.

"National Data Publication Schedule" which lists when and how to publish in 2018 the statistics included in the Official Statistics Programme (2017 – 2021) and generated under the responsibility of the Agency was updated with 2018 data.

We have continued to exchange views with the Turkish Central Bank (CBRT), Undersecretariat of Treasury and Financial Crimes Investigation Board in order to ensure coordination and cooperation among agencies in executing monetary, credit and banking policies within the scope of Inter-agency Information Exchange activities. On the other hand, we have exchange data on banking and non-banking financial institutions with Turkish Statistics Institute, Prime Ministry, Finance Ministry and other public entities in 2017. We, in coordination with the CBRT, have carried out efforts towards prevention of duplication of reports

With the purpose of informing the public, key balance sheet items in banking industry are presented on a daily basis; credit deposits and off-balance sheet liabilities are presented on a weekly basis; and key financial statements, credit portfolio, deposit distribution and types, off-balance sheet liabilities, liquidity, capital adequacy and foreign currency positions of banks are presented on a monthly basis.

submitted by banks to both the CBRT and our Agency, and taken remedial actions for lowering the reporting burden.

In accordance with the provisions contained in the various articles of the Banking Law, our Agency has been provided periodic information sharing with the related institutions and organizations operating in relation to its field of duty as well as other information requests from the institutions.

➤ **Network Access Control Application:**

At the participation to KamuNet network, we have installed NAC-Network Access Controller system into our Agency's IT systems in order to meet the requirements of "Communiqué on Methods and Principles regarding the Access to and Controlling of KamuNet Network".

➤ **Cyber Security Drill:**

We have, as observers, participated in the "National Cyber Defense 2017" cyber security drill executed under coordination of the Ministry of Transportation, Maritime and Communication.

➤ **Protection and Measures Against Cyber Attacks:**

Security measures have been enhanced by introducing a new application against zero-day attacks on e-mail and web traffic in the Agency IT system. Furthermore, we have taken the necessary measures and continued to execute relevant processes in accordance with cybersecurity notices and "Corporate CIIT Guide" issued by NCIIC (National Cyber Issues Intervention Center).

➤ **Spam Prevention:**

Security solutions have been updated on e-mail traffic in the Agency IT system to protect against spam and e-mails containing malicious content.

➤ **Encryption of E-Mail Transmissions:**

Agency e-mail traffic was encrypted by adding TLS (Transport Layer Security) encryption support to Agency's e-mail system.

➤ **Procurement of Agency IT System's Computer and License Requirements:**

New laptop computers were purchased in order to renew the laptop computers used by the Agency personnel and to meet the needs of the new staff to the Agency. The latest versions of operating systems and software were installed on these computers and allocated to the personnel. Furthermore, enterprise licensing was completed for operating systems and software.

➤ **ISO 27001 Standard BGYS (Information Security Management System) Installation:**

We have commenced working on BGYS Installation in accordance with TS ISO/IEC 27001:2013 standard within the scope of "National Cyber Security Strategy and Action Plan" issued by the Ministry of Transportation, Maritime and Communication. We aim at obtaining the certificate showing compliance with this standard in 2018.

"National Data Publication Schedule" which lists when and how to publish in 2018 the statistics included in the Official Statistics Programme (2017 – 2021) and generated under the responsibility of the Agency was updated with **2018 data.**

COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC

COMMUNICATION WITH OTHER ORGANIZATIONS AND THE PUBLIC

➤ National Organizations

Public Institutions and Organizations

Based on Article 98 of Banking Law, views were exchanged and information was shared in 2017 with the Ministry of Development, Undersecretariat of Treasury, CMB, SDIF and CBRT 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 (FSC): FSC 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.

FSC consists of representatives from the Ministry of Finance, Ministry of Development, Undersecretariat of Treasury, CBRT, CMB, SDIF, 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 FSC requires that the Commission meetings will be held in May and November. In this context, FSC's ordinary meetings were held on 23.05.2017 and 05.12.2017, and results of both meetings were submitted to the Board of Ministers in accordance with Regulation on Methods and Principles of FSC's Operation.

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 ensuring maximum cooperation between the Agency and the Fund when required and on the issues which fall into the scope of responsibility of the Fund, with respect to the exchange of information regarding the general outlook of the banking sector, measures to be taken as a result of the supervision of deposit banks, results of analyses indicating the financial state 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

We continued to exchange information with the Ministry of Development, Undersecretariat of Treasury, CMB, SDIF and CBRT for the purpose of ensuring coordination and cooperation between agencies in matters related to execution of credit and banking policies.

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 2017, 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 measures by the SDIF.

➤ Criminal and Administrative Judiciary

In 2017, our Agency has carried out a number of enhancements and changes in Legal Affairs Monitoring System (HTS), which was launched in 01/05/2016, in order to cope with the changing needs and conditions. The purpose of this system is storing all lawsuits, to which our Agency is a party at criminal, administrative and execution offices, from the beginning to the end 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 Affairs Directorate and enabling the staff to use their work time effectively and efficiently. Storing data on current or future lawsuits and execution proceedings initiated on behalf of our Agency, HTS was integrated into UYAP system and we have reached to the final stage of efforts carried out under our Data and System Management Department as a result of discussions with Justice Ministry's IT Department on the completion of Enterprise Web Service subscription for data exchange purposes.

Within the framework of "Istanbul International Finance Center Action Plan" issued in line with the Government's Tenth Development Plan (2014-2018), we have continued our works on preparing a two-volume regulation set that includes "Regulation on Banking Law" covering the Banking Law and relevant regulations in accordance with our purposes of "strengthening corporate structure", "improving the effectiveness of regulation, auditing and implementation activities", "carrying out activities towards safeguarding of

stability and trust in financial markets" and "improving practices for consumers benefiting financial product and service"; and "Regulation on Non-Bank Institutions" that covers Debit Cards and Credit Cards Law, Leasing, Factoring and Financing Companies Law, Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions Law, their sub-regulations and Principles and Procedures Regarding the Charges Applicable to Financial Consumers; and the purpose of issuing these sets is to strengthen the corporate capacity by improving the regulation knowledge of the Agency personnel.

Pursuant to article 20 of Banking Regulation and Supervision Agency Organization Regulation, our Legal Affairs Department continued to give opinions on legal matters on behalf of our Agency by the purpose of solution of all transactions or all disputes to which our Agency is a party, or follow up, defense and resolution thereof before administrative and criminal authorities and execution offices in 2017. Information on lawsuits involving our Agency are classified based on their subjects in the attached table.

Table 16: Lawsuits to which the Agency is a party*

Type of Lawsuit	2016		2017	
	Number	Share %	Number	Share %
Administrative Lawsuits	1,071	60.89	1136	61.65
Criminal Lawsuits	221	12.56	234	12.69
Legal Lawsuits	467	26.55	473	25.66
TOTAL	1,759	100.0	1843	100.0

*Table of Lawsuits does not include the following files;

1-Approximately 23,900 administrative actions related to T. İmar Bankası T.A.Ş.,

2-Approximately 1,272 administrative actions related to Demirbank T.A.Ş.

As it is seen on the table, 61.65% of lawsuits to which our Agency is a party consists of administrative actions, which include cancellation and full remedy actions filed against various kinds of administrative transactions ruled out by the Board and Agency pursuant to banking regulations and general regulations.

Our Legal Affairs Department follows up full remedy actions filed for compensation of alleged losses due to treasury bill sales and deposit transactions carried out by T. İmar Bankası T.A.Ş. whose license for banking and deposit taking were abolished; lawsuits filed by minority shareholders of Demirbank T.A.Ş.; criminal actions filed as a result of criminal charges rendered by our Agency, and legal lawsuits filed against or by the Agency.

In 2017, administrative actions have been the highest with 61.65% and legal actions have been second with 25.66% share among lawsuits to which the Agency is a part. Criminal actions have been third with a share of 12.69%.

While legal processes regarding the applications to European Court of Human Rights against our State with regards to banks whose management, supervision and shareholder rights (excluding dividends) were transferred to Saving Deposits Insurance Fund have been followed up by the Justice Ministry in line with the relevant regulations, we provide them with the necessary information, documents and opinions requested in regards to these actions. Furthermore in 2017, our Agency has submitted 32 written applications to the relevant Chief Public Prosecutor Offices for matters that were submitted to the Board of Agency agenda by Enforcement Departments and decided by the Agency to give out written applications.

➤ International Organizations

➤ Relations with 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 parent 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 national 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 representative offices as well as financial subsidiaries 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 subsidiaries.

Within the frame of these developments, foreign subsidiaries and branches and representative offices of Turkish banks have an impact on the stability and reliability of the financial systems of both Turkey as a host state and the relevant country as a home state. 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 supervisory 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 supervisory and regulatory authorities to ensure financial stability and sustainable growth. In relation to the memorandums signed by the Agency and foreign counterpart supervision authorities, the parties attach significant importance to collaboration to strengthen the legal, regulatory and institutional framework to maintain financial stability, work in cooperation to define and generalize the use of best practices to improve the finance sector, organize education programs and share information.

As of June 2016, by means of consultations, the Agency became 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.

By means of consultations, we have signed Memorandums of Understanding with Abu Dhabi Global Market Financial Services Regulatory Authority-FSRA on 17.06.2016; The Reserve Bank of India on 23.11.2016; and Bank of England on 22.05.2017. The number of Memorandums of Understanding signed with foreign counterpart authorities have reached to 35 on a country basis and 37 on an authority basis in 2017.

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 parent institution, regulate and audit them and access accurate data.

Globalized economies and increasing competition as well as the positive developments in the Turkish banking sector increased the interest of foreign banks in the Turkish market. Many foreign banks operate in Turkey through branches and subsidiaries.

Table 17: Memorandum of Understanding Signed by Counterpart Foreign Authorities

	Country	Institution	Date of Signature
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
35	UK	Bank of England	22/05/2017

➤ Relations with International Organizations

International Monetary Fund (IMF) and World Bank: Consultations were held with the IMF committees in Turkey on issues regarding the banking sector and areas of responsibility of the Agency. Regarding the economic developments in member countries, the Agency attended a comprehensive review 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 the 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 responsibilities of the Agency.

Organization for Economic Cooperation and Development (OECD): Within the scope of activities performed with the 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): In context of the WTO platform which produces a legal framework on national trade laws and regulations and improves trade relations through collective negotiations and meetings, the Agency participated in the undertakings generated under General Agreement on Trade in Services (GATS). Because of the recent blockage in GATS negotiations, a group of the WTO members initiated talks on a multiple trade in services agreement (TISA) which are ongoing and the Agency provides assistance to these efforts and meetings coordinated by the Ministry of Economy. Within the frame of the GATS and the TISA negotiations with several countries currently going through the membership process, evaluations on the banking sectors of these countries were submitted to the relevant institutions in 2017. Assistance was provided to the WTO on reports to the extent they are relevant with the areas of responsibilities of the Agency.

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

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 sector sectoral developments and agreements signed with national and international institutions and corporations, and the results of the researches completed by the Agency.

European Union (EU): The Agency continued its efforts on issues under its responsibility on meeting the obligations listed with the title of Ability to Assume the Obligations of Membership under the National Programme of Turkey for the Adoption of the EU Acquis as promulgated on Official Gazette 27097 dated 31/12/2008, and presented information to the EU Ministry regarding these efforts. 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.

Black Sea Economic Cooperation (BSEC): Black Sea Economic Cooperation (BSEC) Banking and Finance Sector Working Group Country Coordination task assigned to Turkey was extended for two more years on 01.01.2016 and the Action Plan for the Finance Working Group was drafted by the Agency and submitted to the BSEC Secretariat.

In 2017, in addition to the activities listed above, several meetings were held with international institutions and foreign bank representatives while the participants were informed on the broad banking sector and the economic outlook.

Furthermore, we have delivered introductory presentations about our Agency to various universities and public entities in our country.

➤ 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 sector, sectoral developments and agreements signed with national and international developments and results of the researches completed by the Agency.

In this sense, communication activities continued in 2017 to inform the public and the sector. Information on the sector were shared with the public through press releases and presentations. In 2017, 10 press releases were announced to inform the public under three titles. During this period, 5 press releases were delivered on banking practices and 2 press releases on the Agency's activities.

Table 18: Distribution of Press Releases by Subject

Subject	2016		2017	
	Number	Share %	Number	Share %
Basel II - III	3	27.3	-	-
Applications for Banks	2	18.2	5	50.0
Publications	1	9.1	-	-
Agency's Activities	1	9.1	2	20.0
Other	4	36.4	3	30.0
TOTAL	11	100.0	10	100.0

Information requests from the media on the Agency's regulation and supervision practices and the sector 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 sector and financial markets is issued and submitted for the use of the personnel via intranet as well as to the related Vice Prime Ministry

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

AGENCY RESOURCES

AGENCY RESOURCES

➤ Human Resources

As required by Article 92 of the Banking Law, the Agency performs its duties and services 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 experts and their assistant experts. Vice presidents, department heads, chiefs, presidency consultants, career professionals, agency experts and lawyers are permanently contracted employees. Permanently 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 the percentage of staff members who are not managers, consultants or career professionals are limited to the 30% of total number of staff.

Human Resources Profile

As of the end of 2017, the Agency has 402 staff members including managers, consultants, professional personnel and administrative personnel. 71% of the staff members are career professionals.

Table 19: Distribution of the Agency's Staff

Group	2016	Share%	2017	Share%
Manager	20	5	20	5
Consultant	10	2	10	3
Professional	303	71	286	71
Administrative Personnel	94	22	86	21
TOTAL	427	100	402	100

The Agency's vision and mission are considered when 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.

When the distribution of the professional staff according to their seniority by the end of 2017 is examined; it is seen that the staff has a seniority of 10 to 19 years with a share of 45% and the staff group with seniority from 4 to 9 years is in the second place with a share of 25%.

As of the end of 2017, the Agency has 402 staff members including managers, consultants, professional personnel and administrative personnel. 71% of the staff members are career professionals.

Table 20: Classification of Career Staff by Seniority

Title Group	2016	Share%	2017	Share%
Sworn Bank Auditors	91	100	83	100
Over 20 years	8	11	10	12
10-19 years	16	18	35	42
4-9 years	33	35	22	27
1-3 years	34	36	16	19
Banking Experts	206	100	196	100
Over 20 years	20	10	31	16
10-19 years	78	38	95	48
4-9 years	62	30	47	24
1-3 years	46	22	23	12
BRSA Experts	6	100	7	100
4-9 years	-	-	2	29
1-3 years	6	100	5	71
Sum of Professionals	303	100	286	100
Over 20 years	28	9	41	14
10-19 years	94	31	130	45
4-9 years	95	31	71	25
1-3 years	86	28	44	15

As of the end of 2017, 65% of the staff members are 40 years old or younger and the largest age group is 31 to 40 with 41%.

Table 21: Age Classification of Staff

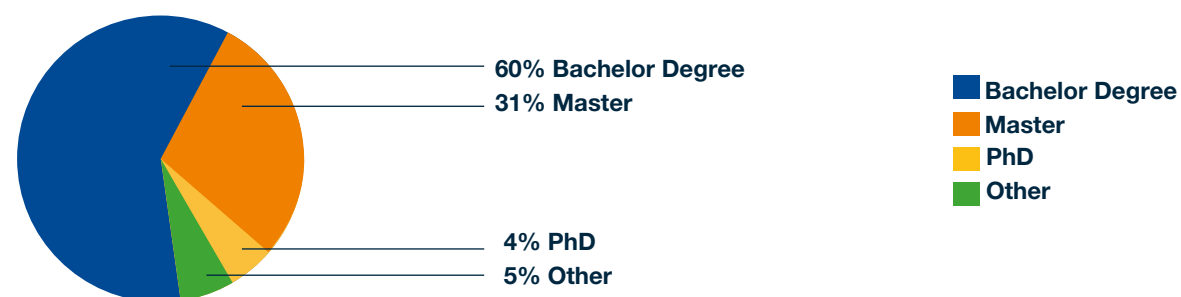
Age Group	2016		2017	
	Number of Staff	Share%	Number of Staff	Share%
Up to 30 years	76	17	96	24
31 to 40 Years	209	50	164	41
41 to 50 Years	99	23	100	25
51 and over	43	10	42	10
TOTAL	427	100	402	100

As of the end of 2017, 95% of 402 Agency staff members have an undergraduate degree with 35% have a graduate and PHD degree.

Table 22: Number of Staff by Level of Education

Group	PhD		Master		Bachelor Degree		Other	
	2016	2017	2016	2017	2016	2017	2016	2017
Manager	3	2	6	12	11	6	-	-
Consultant	2	2	4	4	4	4	-	-
Professional	12	10	108	102	183	174	-	-
Administrative personnel	-	0	10	9	58	55	26	22
TOTAL	17	14	128	127	256	239	26	22
Share %	4	4	30	31	60	60	6	5

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

2017 Education Levels**Table 23: Distribution of Personnel by Field of Degree**

Field of Degree	2016	2017
	Number of Staff	Number of Staff
Economics and Administrative Sciences	264	259
Law	40	35
Engineering	36	44
Mathematics-Statistics	26	28
Other	61	36
TOTAL	427	402

Improvement of Human Resources

In-service training, inland and overseas courses, seminars and similar training activities as well as 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.

In 2017, the number of attendees increased by 96.2% and the number of training days increased by 60.3%. In this period, a total of 2216 days of training in Turkey and abroad were provided to 952 participants, and the number of training days per participant was 2.3 days.

Table 24: Inland and Overseas Training Activities

Number	2016	2017	Change Compared to Previous Year (%)	
			2016	2017
Number of Attendees	485	952	-49.3	96.2
Number of Days	1382	2216	-62.8	60.3
Number of Days per Attendee	2.8	2.3	-26.9	-17.8

When we take a look at training activities on a subject basis, it is seen that the top three subjects are broad banking, IT and finance. The number of attendees and days of training were 137 attendees and 242 days in broad banking, 161 attendees and 351 days in finance, and 183 attendees and 475 days in IT.

Table 25: Training Activities by Subject

Subjects	Number of Attendees		Number of Days	
	2016	2017	2016	2017
IT	55	183	182	475
Finance	0	161	0	351
Broad Banking	149	137	380	242
Economy	99	78	246	105
Supervision	22	43	68	154
Self-improvement	10	42	17	74
Law	26	19	52	33
Accounting	15	14	40	35
Risk	39	11	90	31
Illicit Money	3	2	5	2
Other (EU, legislation etc.)	67	261	339	714
TOTAL	485	952	1,382	2,216

The Agency personnel participate in courses, seminars, conferences and other training activities organized by international institutions and foreign banking authorities on broad banking, economy, law, accounting, risk management, IT and other professional areas of expertise. In 2017; the FDIC, IMF and BCBS were the top three institutions in terms of days of education attended by the personnel. In this period, our personnel participated in 97 trainings in the FDIC, 109 in the IMF and 44 in the BCBS.

Table 26: Classification of Overseas Education Activities by Organizing Institutions

Organizations	Number of Days		Share %	
	2016	2017	2016	2017
IMF	76	109	14.6	24.0
FDIC	115	97	22	21.3
BCBS	0	44	0	9.6
Counterpart Authorities	60	46	11.5	10.1
BRSA	0	41	0	9.0
IFSB	29	25	5.6	5.5
FATF	0	13	0	2.9
FSI	8	12	1.5	2.6
FSB	16	9	3.1	2.0
BIS	92	9	17.6	2.0
FED	21	9	4	2.0
BSCEE	0	6	0	1.4
WB	9	2	1.7	0.4
OECD	7	0	0.5	0
OCC	0	0	0	0
Other	59	33	17	7.2
TOTAL	522	455	100	100

In 2017, 5 staff members went abroad for a graduate education. 7 staff members took language courses in Turkey to improve the level of their foreign language skills.

Table 27: Number of Staff Members Sent for Graduate Education Abroad

	2011	2012	2013	2014	2015	2016	2017
Number of Staff	20	19	14	9	8	1	5

In 2017, overseas education costs decreased by 21.5% to TL 1.7 million, and inland and overseas course costs increased by 227% to TL 216 thousand when compared to the previous year. In 2017, total training costs decreased by 14% to TL 1.9 million, and the share of training costs in total costs has been 2% with no change as compared to the previous year.

Table 28: Education Costs

(TL Thousand)	2011	2012	2013	2014	2015	2016	2017
Cost of Overseas Education (*)	3,389	5,503	6,086	4,476	4,254	2,137	1,677
Inland and Overseas Course Costs	392	241	493	303	201	66	216
Sum of Training Costs	3,781	5,744	6,579	4,779	4,455	2,203	1,893
Share in Total Costs (%)	5.1	7.0	6.6	4.7	4.2	2.0	2.0

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

➤ Information Resources

The Agency's Library is a proficiency library that was established to provide various information sources with 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.

In parallel with the rapid increase in access to the current information and improvements in the field of information technology, the Library has turned out to provide only electronic information source services by 2016. In this context, 16 subscriptions to local and foreign databases on economy, banking, law and supervision were renewed in 2017. Also, several presentations were delivered to ensure that these databases are used more efficiently and effectively.

➤ Financial Resources

Budget Implementation Results

Article 17 of Public Finance Management and Control Law 5018 stipulates that the regulatory and supervisory 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 of 2017 prepared in line with this Law and adopted by the Board Decision 7018 dated 22.09.2016 was approved by the TGNA and made effective with "2017 Central Management Budget Law" 6767 issued in the Official Gazette 29928 dated 24.12.2016.

Within the scope of this budget, total revenues were estimated as TL 385 million while realized as TL 395 million. The revenues consisted of contribution collected from banks and other supervised institutions with 93% and interest income from large-scale TL deposit accounts with 7%.

Table 29: Income Budget and Realization

TL Thousand	Budget		Realizations		Difference (Budget Realization)	
	2016	2017	2016	2017	2016	2017
Contribution by banks and other supervised institutions	311,050	366,250	310,734	366,494	-316	244
Other Income	15,950	18,750	25,718	29,086	9,768	10,336
Interest Income	15,300	18,150	25,207	27,917	9,907	9,767
Other Various Income	650	600	511	1,169	-139	569
TOTAL	327,000	385,000	336,452	395,580	9,452	10,580

On the other hand, TL 99 million portion of the budgeted allowance of TL 385 million was spent in 2017. The highest expenditure items among the total expenses have been personnel costs totaling to TL 50.18 million and procurement costs totaling to TL 34 million. In this sense, among total expenses:

- 50.7% personnel costs,
- 34.4% purchase of goods and services,
- 3.8% premiums paid to Social Security Institution for the personnel,
- 8% capital costs,
- 3.1% current transfers

are included.

Table 30: Budget and Expenses Realization

TL Thousand	Initial Allowance		Expenses		Balance	
	2016	2017	2016	2017	2016	2017
Personnel Expenses	109,290	122,655	62,750	50,180	46,540	72,475
SSI Premium Payments	8,402	9,039	4,687	3,844	3,715	5,195
Purchase of Goods & Services	67,584	82,031	39,150	33,980	28,434	48,051
Current Transfers	3,301	2,505	2,396	3,082	905	-577
Capital Expenses	138,423	168,770	3,689	7,923	134,734	160,847
TOTAL	327,000	385,000	112,672	99,009	214,328	285,991

Agency's expenses are classified by expenditure unit as the Auxiliary Services Department with 39% and Audit Departments by 16%.

Table 31: Classification of Budget Expenditure Items by Spending Units

TL Thousand	Allowances	Expenses	Balance of Allowances
Department of Auxiliary Services	229,470	38,960	190,510
Department of Data and System Management	20,200	8,772	11,428
Summary Item	18,600	6,269	12,331
Department of Audit I	15,740	3,986	11,754
Department of Audit II	8,860	4,008	4,852
Department of Audit III	20,440	4,292	16,148
Department of Audit IV	6,130	3,466	2,664
Legal Department	6,800	3,819	2,981
Department of Strategy Development	5,440	3,300	2,140
Department of Regulations	6,730	3,725	3,005
Risk Management Department	5,000	1,507	3,493
Department of Enforcement I	5,800	1,925	3,875
Department of Enforcement II	4,190	2,511	1,679
Department of Enforcement III	3,300	1,841	1,459
Department of Enforcement IV	3,500	1,970	1,530
Department of Enforcement V	2,450	224	2,226
Department of Economic Research	3,030	281	2,749
Department of Financial Consumer Relations	10,300	4,880	5,420
Department of Information Systems Compliance	5,620	2,357	3,263
Department of Institutional Communications & International Relations	3,400	916	2,484
GENERAL SUM	385,000	99,009	285,991

➤ Financial Tables

As of the end of 2017, the balance sheet sum of the Agency grew by 17% and reached to TL 900 million when compared to the previous year. The largest share among the assets is the cash equivalents with TL 705.7 million and the second largest item is fixed assets with TL 182.1 million. On the liabilities side, the largest item is the equities with TL 470.9 million.

Table 32: Summary Balance Sheet

TL Thousand	2016	2017
Assets		
Current Assets	587,607	717,896
Liquid Assets	577,852	705,679
Receivables from Operations	706	1,797
Other Receivables	592	1,026
Inventories	45	62
Prepayments	3,971	2,747
Short-term Prepaid Expenses and Accrued Income	4,441	6,585
Fixed Assets	179,910	182,155
Total Assets	767,517	900,051
Liabilities		
Short Term Liabilities	369,082	429,156
Payables from Operations	237	158
External Liabilities from the Escrow Accounts	43	332
Other Liabilities	2,307	2,259
Short-term Prepaid Income and Accrued Expenses	366,495	426,407
Equity	398,435	470,894
Net Value	172,088	172,089
Term Operating Results	226,347	298,806
Total Liabilities	767,517	900,051

The total balance sheet of the Agency has reached to TL 900 million by the end of the year 2017.

Table 33: Summary Table of Income

TL Thousand	2016	2017
1. Contribution by banks and other supervised institutions	310,733	366,494
2. Sales Discounts	0	0
3. Net Income (1-2)	310,733	366,494
4. Cost of Sales	0	0
5. Operating Expenses	109,348	96,774
6. Operating Profit or Loss (3-5)	201,385	269,720
7. Ordinary Income from Other Operations	24,962	29,086
8. Ordinary Expenses from Other Operations	0	0
9. Financing Expenses	0	0
10. Exceptional Income	0	0
11. Exceptional Expenses or Losses	0	0
Term Result (6 + 7 - 8 - 9 + 10 - 11)	226,347	298,806

As per Article 101 of the Banking Law, the excess revenues of the Agency are transferred to the general budget as income within March. In 2017, TL 298.8 million was transferred to the general budget as excess revenue and the total amount amounts to TL 1,427.0 million up to now.

Table 34: Transfer to General Budget

	2003 - 2015	2016	2017	Total
TL Million (Current prices)	901.9	226.3	298.8	1,427.0
TL Million (2018 prices)*	1,661.7	247.0	298.8	2,207.5
USD Million	495.3	61.4	78.6	635.3

* The transfer amounts are indicated in 2018 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, year-end external audit of the Agency is performed by the Supreme Court of Public Accounts.

ANNEXES

ANNEX 1: Institutions Subject to the Supervision of the Agency *

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

35	SOCIETE GENERALE S.A.
36	STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
37	ŞEKERBANK T.A.Ş.
38	T.C. ZİRAAT BANKASI A.Ş.
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.
	FINANCIAL LEASING COMPANIES
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	PERVİN FİNANSAL KİRALAMA A.Ş.
19	SİEMENS FİNANSAL KİRALAMA A.Ş.
20	ŞEKER FİNANSAL KİRALAMA A.Ş.
21	VAKIF FİNANSAL KİRALAMA A.Ş.
22	VFS FİNANSAL KİRALAMA A.Ş.
23	YAPI KREDİ FİNANSAL KİRALAMA A.O.
24	YATIRIM FİNANSAL KİRALAMA A.Ş.
25	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	DORUK FAKTORİNG A.Ş.
23	EKO FAKTORİNG A.Ş.
24	EKSPO 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	SARDES FAKTORİNG A.Ş.
47	STRATEJİ FAKTORİNG A.Ş.
48	SÜMER FAKTORİNG A.Ş.
49	ŞEKER FAKTORİNG A.Ş.
50	ŞİRİNOĞLU FAKTORİNG A.Ş.
51	TAM FAKTORİNG A.Ş.
52	TEB FAKTORİNG A.Ş.
53	TUNA FAKTORİNG A.Ş.
54	ULUSAL FAKTORİNG A.Ş.
55	VAKIF FAKTORİNG A.Ş.
56	VDF FAKTORİNG A.Ş.
57	YAPI KREDİ FAKTORİNG A.Ş.
58	YAŞAR FAKTORİNG A.Ş.
59	YEDİTEPE FAKTORİNG A.Ş.
60	ZORLU FAKTORİNG A.Ş.

FINANCING COMPANIES	
1	ALJ FİNANSMAN A.Ş.
2	DORUK 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.
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.
6	ADALYA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
7	ADAY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
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 A.Ş.
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	DRT YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
57	DTDENETİMTURKEY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
58	ECOVIS DEĞER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
59	EGE YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
60	ELİT BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
61	ENGİN BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİLİK MALİ MÜŞAVİRLİK A.Ş.
62	ERCİYES YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
63	EREN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
64	FİNANSAL EKSEN BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
65	GRC BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
66	GÜÇBİR BAĞIMSIZ DENETİM A.Ş.
67	GÜNCEL BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
68	GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
69	GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
70	HİLAL YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
71	HLB SAYGIN BAĞIMSIZ DENETİM A.Ş.
72	HSY DANIŞMANLIK VE BAĞIMSIZ DENETİM A.Ş.
73	IHY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
74	IŞIK YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
75	İNTEGRAL BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
76	İRFAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
77	İTİMAT BAĞIMSIZ DENETİM A.Ş.
78	KARAR BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
79	KARMA BAĞIMSIZ DENETİM A.Ş.
80	KARYA BAĞIMSIZ DENETİM VE DANIŞMANLIK HİZMETLERİ A.Ş.
81	KAVRAM BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
82	KÖKER YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
83	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
84	LEGAL BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
85	LİDYA BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
86	MBK BAĞIMSIZ DENETİM VE SMMM A.Ş.
87	MED YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
88	MEGA GLOBAL ULUSLAR ARASI BAĞIMSIZ DENETİM A.Ş.
89	MERCEK BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
90	MERİDYEN KURUMSAL ÇÖZÜM VE BAĞIMSIZ DENETİM A.Ş.

91	METROPOL BAĞIMSIZ DENETİM A.Ş.
92	MGI BAĞIMSIZ DENETİM S.M.M.M. A.Ş.
93	MGI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
94	MMB BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
95	MOD BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
96	ODİTA BAĞIMSIZ DENETİM A.Ş.
97	OLUŞUM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
98	ÖNDER BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
99	PÜR BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
100	PWC BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
101	RANDIMAN DENETİM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
102	RASYONEL BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
103	REFERANS BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
104	REHBER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
105	REPORT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
106	REVİZYON BAĞIMSIZ DENETİM A.Ş.
107	RSM TURKEY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
108	SAM-DEN SAMSON BAĞIMSIZ DENETİM A.Ş.
109	SER&BERKER BAĞIMSIZ DENETİM A.Ş.
110	SER&BERKER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
111	SGD BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
112	SUN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
113	TRC BAĞIMSIZ DENETİM A.Ş.
114	TÜRKERLER BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
115	TÜRKMEN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
116	ULUSAL BAĞIMSIZ DENETİM VE YMM A.Ş.
117	ULUSLARARASI BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİLİK MALİ MÜŞAVİRLİK A.Ş.
118	UNİVERSAL BAĞIMSIZ DENETİM A.Ş.
119	UZMAN YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
120	VEZİN BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
121	YEDİTEPE BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
122	YILDIZLAR BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
123	YKY BAĞIMSIZ DENETİM VE YMM A.Ş.
124	YORUM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
125	YÖNTEM YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.

FOREIGN BANK OFFICES	
1	AAREAL BANK A.G. TURKEY REPRESENTATIVE OFFICE
2	ABC INTERNATIONAL BANK PLC TURKEY REPRESENTATIVE OFFICE
3	ALUBAF ARAB INTERNATIONAL BANK B.S.C. REPRESENTATIVE OFFICE
4	BANCA MONTE DEI PASCHI DI SIENA S.P.A. TURKEY REPRESENTATIVE OFFICE
5	BANCO POPULAR ESPANOL S.A. TURKEY REPRESENTATIVE OFFICE
6	BANCO SABADELL S.A. TURKEY REPRESENTATIVE OFFICE
7	BANK AL HABİB LİMİTED TURKEY REPRESENTATIVE OFFICE
8	BANK JULİUS BAER&CO.LTD. TURKEY REPRESENTATIVE OFFICE
9	BANK OF BAHRAIN AND KUWAIT TURKEY REPRESENTATIVE OFFICE
10	BANK OF CHINA LIMITED TURKEY REPRESENTATIVE OFFICE
11	BNP PARIBAS S.A. TURKEY REPRESENTATIVE OFFICE
12	CAIXABANK S.A. TURKEY REPRESENTATIVE OFFICE
13	CITIBANK N.A TURKEY REPRESENTATIVE OFFICE
14	COMMERZBANK A.G. TURKEY REPRESENTATIVE OFFICE
15	CREDIT EUROPE BANK N.V. TURKEY REPRESENTATIVE OFFICE
16	CREDIT INDUSTRIEL ET COMMERCIAL (CIC) TURKEY REPRESENTATIVE OFFICE
17	DEG-DEUTSCHE INVESTİTİONS-UND ENTWİCKLUNGSGESELLSCHAFT MBH TURKEY REPRESENTATIVE OFFICE
18	DEMİR-HALK BANK (NEDERLAND) N.V. TURKEY REPRESENTATIVE OFFICE
19	DOHA BANK TURKEY REPRESENTATIVE OFFICE
20	DUBAI ISLAMIC BANK TURKEY REPRESENTATIVE OFFICE
21	DZ BANK A.G. TURKEY REPRESENTATIVE OFFICE
22	EFG BANK AG TURKEY REPRESENTATIVE OFFICE
23	GARANTIBANK INTERNATIONAL N.V. TURKEY REPRESENTATIVE OFFICE
24	HUNGARIAN EXPORT-IMPORT BANK PLC. TURKEY REPRESENTATIVE OFFICE
25	ING BANK N.V. TURKEY REPRESENTATIVE OFFICE
26	JSC BANK OF GEORGİA TURKEY REPRESENTATIVE OFFICE
27	KEB HANA BANK TURKEY REPRESENTATIVE OFFICE
28	KENTBANK D.D. TURKEY REPRESENTATIVE OFFICE
29	KFW IPEX-BANK GMBH TURKEY REPRESENTATIVE OFFICE
30	KOREA EXCHANGE BANK REPRESENTATIVE OFFICE
31	LANDESBANK BADEN- WÜRTTEMBERG TURKEY REPRESENTATIVE OFFICE
32	MIZUHO CORPORATE BANK LTD. TURKEY REPRESENTATIVE OFFICE

33	NATIXIS SA TURKEY REPRESENTATIVE OFFICE
34	NEAR EAST BANK LIMITED TURKEY REPRESENTATIVE OFFICE
35	NOMURA BANK INTERNATIONAL PLC
36	OYAK ANKER BANK GMBH TURKEY REPRESENTATIVE OFFICE
37	QINVEST LLC TURKEY REPRESENTATIVE OFFICE
38	RABOBANK INTERNATIONAL TURKEY REPRESENTATIVE OFFICE
39	STATE BANK OF INDIA TURKEY REPRESENTATIVE OFFICE
40	SUMITOMO MITSUI BANKING CORPORATION TURKEY REPRESENTATIVE OFFICE
41	THE BANK OF NEW YORK MELLON TURKEY REPRESENTATIVE OFFICE
42	THE EXPORT-IMPORT BANK OF KOREA TURKEY REPRESENTATIVE OFFICE
43	UBS A.G. TURKEY REPRESENTATIVE OFFICE
44	UNION BANCAIRE PRIVÉE, UBP SA TURKEY REPRESENTATIVE OFFICE
45	WELLS FARGO BANK N.A. TURKEY REPRESENTATIVE OFFICE
46	ZİRAAT BANK INTERNATIONAL AG TURKEY REPRESENTATIVE OFFICE
ASSET MANAGEMENT COMPANIES	
1	BİRLEŞİM VARLIK YÖNETİM A.Ş.
2	DESTEK VARLIK YÖNETİM A.Ş.
3	EFES VARLIK YÖNETİM A.Ş.
4	EMİR 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	MERKEZ VARLIK YÖNETİM A.Ş.
12	MET-AY VARLIK YÖNETİM A.Ş.
13	SÜMER VARLIK YÖNETİM A.Ş.
14	VERA VARLIK YÖNETİM A.Ş.
15	YUNUS VARLIK YÖNETİM A.Ş.

VALUATION COMPANIES	
1	1A GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
2	24 TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
3	4A DANIŞMANLIK VE GAYRİMENKUL DEĞERLEME A.Ş.
4	A ARTIBİR GAYRİMENKUL DEĞERLEME A.Ş.
5	A 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	BİLGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
31	BİLGİ GAYRİMENKUL DEĞERLEME A.Ş.
32	CLS KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
33	ÇAĞKAN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
34	ÇELEN KURUMSAL 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	HARMONİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

70	HEDEF TAŞINMAZ DEĞERLEME A.Ş.
71	İDEAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
72	İLKE GAYRİMENKUL DEĞERLEME A.Ş.
73	İNVEST GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
74	İSTANBUL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
75	KALME KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
76	KARAT TAŞINMAZ DEĞERLEME A.Ş.
77	KARE GAYRİMENKUL DEĞERLEME A.Ş.
78	KENT KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
79	KFB GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
80	KOZA GAYRİMENKUL DEĞERLEME A.Ş.
81	KUZEY KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
82	LAL GAYRİMENKUL DEĞERLEME VE MÜŞAVİRLİK A.Ş.
83	LİDER GAYRİMENKUL DEĞERLEME A.Ş.
84	LİMİT GAYRİMENKUL DEĞERLEME HİZMETLERİ A.Ş.
85	LOTUS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
86	MAKRO GAYRİMENKUL DEĞERLEME A.Ş.
87	MARKA KURUMSAL GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
88	MAVİ GAYRİMENKUL DEĞERLEME A.Ş.
89	MAY GAYRİMENKUL DEĞERLEME A.Ş.
90	METRİK GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
91	METROPOL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
92	MÜLK KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
93	NET KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
94	NOKTA TAŞINMAZ DEĞERLEME A.Ş.
95	NOVA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
96	ÖZTÜRK GAYRİMENKUL DEĞERLEME A.Ş.
97	PİRAMİT GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
98	PİRİ GAYRİMENKUL DEĞERLEME A.Ş.
99	PLATFORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
100	PRİM E GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
101	RASYONEL GRUP TAŞINMAZ DEĞERLEME A.Ş.
102	REEL GAYRİMENKUL DEĞERLEME A.Ş.
103	REFERANS GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
104	REHBER GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.

105	RESPA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
106	RM RİTİM GAYRİMENKUL DEĞERLEME A.Ş.
107	ROTA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
108	SEAK GAYRİMENKUL DEĞERLEME A.Ş.
109	SENTEZ GAYRİMENKUL DEĞERLEME A.Ş.
110	SMART KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
111	SOM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ TİCARET A.Ş.
112	SÜMER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
113	TADEM TAŞINMAZ DEĞERLEME MÜŞAVİRLİK A.Ş.
114	TAKSİM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
115	TALYA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
116	TEKNİK GAYRİMENKUL DEĞERLEME A.Ş.
117	TER RA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
118	TSKB GAYRİMENKUL DEĞERLEME A.Ş.
119	TUVEO KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
120	ULUSAL GAYRİMENKUL DEĞERLEME A.Ş.
121	UZMAN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
122	VAKIF GAYRİMENKUL DEĞERLEME A.Ş.
123	VARLIK TAŞINMAZ DEĞERLEME VE DANIŞMANLIK 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	YEDİTEPE GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
128	YETKİN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
129	ZEUGMA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
130	ZİRVE GAYRİMENKUL DEĞERLEME A.Ş.
	RATING COMPANIES
1	JCR AVRASYA DERECELENDİRME HİZMETLERİ A.Ş.

	PAYMENT INSTITUTION
1	AYPARA ÖDEME KURULUŞU A.Ş.
2	BPN ÖDEME KURULUŞU A.Ş.
3	BURADAÖDE ÖDEME KURULUŞU A.Ş.
4	CEO ÖDEME HİZMETLERİ A.Ş.
5	EFİX ÖDEME HİZMETLERİ A.Ş.
6	ELEKSE FATURA ÖDEME KURULUŞU A.Ş.
7	FATURAKOM ÖDEME HİZMETLERİ A.Ş.
8	FATURAMATİK ÖDEME KURULUŞU A.Ş.
9	FÖY FATURA ÖDEME KURULUŞU A.Ş.
10	GÖNDERAL ÖDEME HİZMETLERİ A.Ş.
11	İYZİCO ÖDEME HİZMETLERİ A.Ş.
12	MOKA ÖDEME KURULUŞU A.Ş.
13	MONEYGRAM TURKEY ÖDEME HİZMETLERİ A.Ş.
14	N KOLAY ÖDEME KURULUŞU A.Ş.
15	NESTPAY ÖDEME HİZMETLERİ A.Ş.
16	OCTET EXPRESS ÖDEME KURULUŞU A.Ş.
17	PAYNET ÖDEME HİZMETLERİ A.Ş.
18	PAYTR ÖDEME HİZMETLERİ A.Ş.
19	PAYTREK ÖDEME KURULUŞU HİZMETLERİ A.Ş.
21	PAYU ÖDEME KURULUŞU A.Ş.
22	PRATİK İŞLEM ÖDEME KURULUŞU A.Ş.
23	RIA TURKEY ÖDEME KURULUŞU A.Ş.
24	SENDER ÖDEME HİZMETLERİ A.Ş.
25	TAM FATURA ÖDEME HİZMETLERİ A.Ş.
26	TREND ÖDEME KURULUŞU A.Ş.
27	TT ÖDEME HİZMETLERİ A.Ş.
28	UPT ÖDEME HİZMETLERİ A.Ş.
29	VİZYON TAHSİLAT SİSTEMLERİ VE ÖDEME HİZMETLERİ A.Ş.

	ELECTRONIC MONEY INSTITUTIONS
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	HIZLIPARA ÖDEME HİZMETLERİ VE ELEKTRONİK PARA A.Ş.
6	İNİNAL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
7	PAPARA ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
8	TURK ELEKTRONİK PARA A.Ş.
9	TURKCELL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
10	VODAFONE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
11	WIRECARD ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.

* List of organizations is updated and sorted alphabetically on a field of operation basis.

ANNEX 2. Board Members with Active Duty, Expired Term or Retirement

Board Members on Duty

NAME-SURNAME	TITLE	DATE OF ASSIGNMENT
Mehmet Ali AKBEN	President	18/05/2015
Yakup ASARKAYA	Vice President	15/12/2017
Olca TURAN	Member	02/12/2013
Beytullah YAZAR	Member	15/12/2017
Mustafa BALCI	Member	15/12/2017
Fatin Rüştü KARAKAŞ(*)	Member	15/12/2017

(*) Assigned until the end of membership tenure that has become vacant after Muhiddin GÜLAL.

Board Members with Expired Term or Retirement

NAME-SURNAME	TITLE	DATE OF ASSIGNMENT	DATE OF RETIREMENT
PRESIDENTS			
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
VICE PRESIDENTS			
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
MEMBERS			
İrfan ÇEVİK	Member	25/06/2014	25/07/2017
Mustafa KORHAN	Member	18/05/2015	22/06/2017
Muhiddin GÜLAL	Member	05/12/2013	11/07/2017
Haluk TÖZÜM	Member	03/05/2012	01/09/2016
Can Akin 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. Dr. Yusut 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
Atilla TAŞDEMİR	Member	13/06/2001	13/06/2003
Ali Akin 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



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