



**BANKING REGULATION
AND
SUPERVISION AGENCY**

2018

ANNUAL REPORT

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BANKING REGULATION AND SUPERVISION AGENCY ANNUAL REPORT



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AND
SUPERVISION AGENCY**

Banking Regulation and Supervision Agency Annual Report is prepared for the purpose of informing the concerning authorities and the public in line with the principles of transparency and accountability.



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ABBREVIATIONS

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
EU	European Union
A.Ş.	Incorporated Company
BADES	Independent Audit Tracking System
BCBS	Basel Committee on Banking Supervision
BRSA	Banking Regulation and Supervision Agency
NBFI	Non-Bank Financial Institutions
BGYS	Information Security Management System
BİMER	Prime Ministry Center for Communication
BRS	BRSA Reporting System
BSCEE	Banking Supervisors from Central and Eastern Europe
BVTS	Banking Data Transfer System
CAMELS	Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis
CİMER	Presidency Center for Communication
WTO	World Trade Organization
eBYS	Electronic Document Management System
ESMA	European Securities and Markets Authority
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
FSK	Financial Sector Commission
GDP	Gross Domestic Product
HBAS	Rapid Information Transfer System
HTS	Legal Affairs Monitoring System
IASB	International Accounting Standards Board
IFSB	Islamic Financial Services Board
IMF	International Monetary Fund
İDES	Review and Assessment Process
İSEDES	Internal Capital Adequacy Assessment Process
KEİ	Black Sea Economic Cooperation
KEP	Registered E-Mail

KKB	Credit Registry Office
KKTC	Turkish Republic of Northern Cyprus
SME	Small and Medium Sized Enterprises
MASAK	Financial Crimes Investigation Board
MEDAS	Central Distribution System
MKK	Central Registry Agency
NACE	Statistical Classification of Economic Activities in the European Union
OCC	US Office of the Comptroller of the Currency
OECD	Organization for Economic Cooperation and Development
ÖNER	Specific Report
PTT	General Directorate of Turkish Post
RAM	Risk Analysis Opinion
RAS	Risk Analysis Process
RCAP	Regulatory Compliance Assessment Program
OG	Official Gazette
RİP	Official Statistics Program
RK	Competition Authority
SOME	Cyber Issues Intervention Team
SPK	Capital Markets Board
STA	Free Trade Agreements
TBB	Banks Association of Turkey
TBMM	Turkish Grand National Assembly
T.C.	Republic of Turkey
TCMB	Central Bank of the Republic of Turkey
THP	Uniform Accounting Plan
TKBB	Participation Banks Association of Turkey
TL	Turkish Lira
TMSF	Savings Deposit Insurance Fund
TÜİK	Turkish Statistics Institute
URD	National Risk Assessment
USOM	National Cyber Issues Intervention Center
YEP	New Economy Program
WB	World Bank

CHAIRMAN'S FOREWORD



CHAIRMAN'S FOREWORD

2018 has been a year of negative expectations in the global economy due to mutual trade restrictions, increasing protectionism and increased energy prices. The developments have led to fluctuations in many markets, particularly in developing countries. As of August, unexpected artificial increases in foreign exchange rates have been realized in Turkey as a result of speculative attacks originating from abroad. However, the short-term adverse conditions in our financial markets has entered a rapid disintegration process with the measures taken by our Agency and other authorized institutions, particularly the Ministry of Treasury and Finance. As set forth in the New Economy Program, the slowdown in growth, which has been above the potential growth rate for some time, is expected to further reduce the pressure on exchange rate, inflation and interest rates in the coming periods. On the other hand, necessary steps were taken to reduce the pressures on credit portfolios through the restructuring opportunities provided to the banking sector in order to support the growth in the last period and enable the credit market to continue to operate effectively and thus to eliminate the financial problems of the real sector.

At this point, despite a slight slowdown in loan growth due to interest rate hikes as a result of the developments since the second half of 2018, the banking sector continues to maintain its stable outlook. As of the end of December 2018, the NPL ratio was 3.9% and the capital adequacy ratio was 17.3% to confirm the soundness of the banking sector. The asset size of the sector increased by 18.7% at the end of 2018 as compared to the same month of the previous year and reached TL 3,867 billion. In the same period, total loans grew by 14.1% to TL 2,394 billion and the share of loans in total assets was 62%. On the other hand, the share of securities in the total balance sheet is around 12.4%. In the last year, the biggest funding source of our banks was the deposit item with 53% share as in previous periods. Share of shareholders' equity in total liabilities was 11%, which supported the outlook of strong capital structure. Our banks had a successful period in terms of profitability, and net profit after tax in 2018 was TL 53.8 billion and return on equity was 14.8%.

In 2018, the regulatory activities in order to maintain the sound structure of the banking sector and to ensure compliance with international banking rules and practices, particularly with the EU *acquis* were implemented. Within this scope, one new regulation, one new communiqué and one new circular were drafted, and 21 regulation amendments and four communiqué amendments were made in the last year.

In 2018, our Agency successfully carried out audit activities in the form of analyzing the risks and financial soundness of the institutions in its area of duty and examining their compliance with the legislation within the framework of the authority granted to it by the Law. In this respect, 260 reports, 16 risk analysis opinions and 367 opinions on various subjects were prepared by the audit staff of our Agency.

In addition, within the scope of supervision activities, efforts to monitor sector indicators and risks and analyze them within the framework of macroeconomic developments and policies continued to operate in 2018 as well. Within this framework, 1,044 reports were prepared on a bank basis including 27 monthly, 173 weekly and other reports by using the database of our Agency, data obtained from other public institutions, audit reports and other internal and external information sources.

The reports obtained as a result of the audit and supervision activities have been handled within the scope of evaluation and implementation activities and necessary administrative procedures have been established within the framework of the relevant legislation. Furthermore, in 2018, within the scope of the establishment and activity permits of the non-financial companies one authorization given to establishment of a financing company, one authorization given to factoring company and six authorization given to asset management companies; seven operating permit given to asset management companies, five operating permit given to payment agencies, one operating permit given to electronic money organization. Also two electronic money institutions were allowed to operate as institutions with member workplace agreements, five valuation companies were authorized to make appraisals.

One of the areas of activity that we give great importance to is the protection of financial consumers against unfair practices. It is considered that this issue is of great importance for the stability and development of financial markets, and the notices, complaints, applications and examination requests submitted to the Agency by the judicial authorities regarding individual products and services are inspected. Within this scope, 260 reports and nine opinion reports were prepared as a result of the audits carried out in 2018 regarding complaints about financial services, 118 Board Decisions were taken and 111 administrative sanctions were applied as a result of the evaluations made.

In 2018, many innovations were initiated in order to develop participation banking and interest-free finance sector. The first one is

the decision of the Banking Regulation and Supervision Board dated 22/02/2018 and numbered 7736 to establish a Central Advisory Board within Participation Banks Association of Turkey to determine the professional principles and standards of participation banking. In addition, AAOIFI's interest-free financial standards, which produces international accounting and auditing standards in the field of participation banking, were translated in Turkish with the cooperation of TKBB and Sabahattin Zaim University with the coordination of our Agency and the book was published in December 2018. On the other hand, two regulations and a communiqué were amended in order to diversify the interest-free fund collection methods of the participation banks in the last year, and an important stage was recorded in the new communiqué on compliance with the principles and standards of participation banking.

In the last activity period, efforts were made to ensure coordination and cooperation among the relevant institutions, with the awareness that monetary, credit and banking policies should be implemented in an integrative manner. In this context, mutual exchange of views and information sharing continued with the Presidential Strategy and Budget Department, Ministry of Treasury and Finance, CMB, SDIF and CBRT. In addition, opinions were exchanged with other public institutions and organizations, particularly the Ministry of Foreign Affairs and the Ministry of Commerce, on issues concerning the banking sector. On the other hand, the Financial Sector Commission and the Coordination Committee Meetings were held to support the efforts to increase cooperation and coordination between institutions, and to make common policy suggestions and to convey the opinions of the Agency on issues concerning the future of the financial sector.

In 2018, communication and cooperation activities were conducted with domestic institutions as well as foreign counterparts, and various agreements were made with foreign counterparts in order to ensure the effective auditing and supervision of our banking sector's international activities, which are integrated to international financial markets. In this context, a memorandum of understanding was signed on 28/12/2018 with the Financial Market Supervisory Authority of the Republic of Azerbaijan. In addition, as of the end of 2018, the memorandum of understanding was concluded with 38 authorities from 35 countries, and efforts were made to finalize the memorandum of understanding with the banking supervisors in Uzbekistan, Belarus and Sudan.

I wish that the BRSA 2018 Annual Report prepared in accordance with the principles of transparency and accountability will be beneficial to all stakeholders with the purpose of informing the public and other interested parties accurately and completely about the activities of the Agency, and I would like to thank my colleagues for their hard work.

Mehmet Ali AKBEN
Chairman

BOARD MEMBERS AND TOP MANAGEMENT

BOARD MEMBERS



FROM LEFT TO RIGHT

Hurşit YILDIRIM

Beytullah YAZAR

Yakup ASARKAYA (Second Chairman)

Mehmet Ali AKBEN (Chairman)

Mustafa BALCI

Ahmet AKSU

İhsan Uğur DELİKANLI

VICE CHAIRMEN



FROM LEFT TO RIGHT

Muhammet Salih AĞAN

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

Muhammet Mustafa CERİT

- Information Systems Compliance Department
- Data and System Management Department

Mehmet Ali AKBEN

Chairman

Aziz TURHAN

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

Necati KOCAMAN

- Regulation Department
- Risk Management Department
- Audit IV Department

Mehmet İrfan KURT

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



IMPORTANCE OF THE AGENCY IN THE NATIONAL ECONOMY

IMPORTANCE OF THE AGENCY IN THE NATIONAL ECONOMY

Being responsible for the regulation and supervision of 90.5% of the financial sector that has a total asset size of TL 4 trillion, BRSA contributes to ensure effectiveness in financial intermediation by making financial markets operate accurately and effectively under a reliable system.

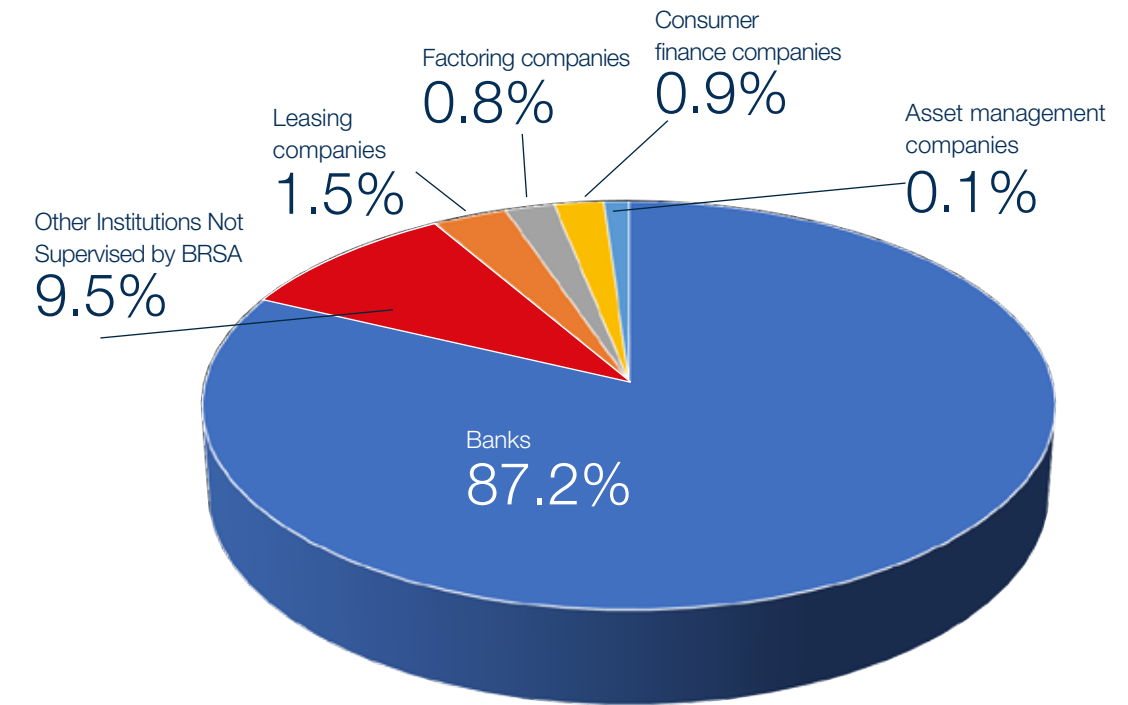
Acting as the responsible institution in the field of regulation and supervision of a significant portion of the financial sector our Agency plays an important role in the Turkish economy in terms of ensuring financial stability, developing the industry, strengthening the framework for practices and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

The asset size of the financial sector has reached TL 4.4 trillion (approximately USD 839 billion) as of the end of 2018. When we take a look at the asset size of the financial sector that has reached to 1.2 times of the GDP, we see that the Turkish banking industry has the largest share with 87.2%.

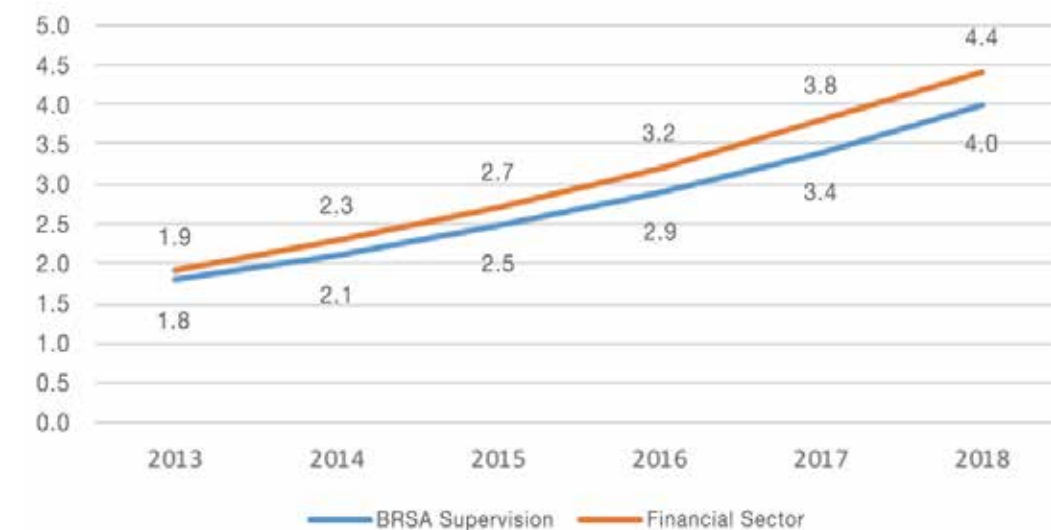
In 2018, the financial sector shares of banks, leasing companies, factoring companies, consumer financing companies and asset management companies subject to oversight and audit by the Agency are 87.2%, 1.5%, 0.8%, 0.9% and 0.1% respectively. In terms of the total assets, banks have grown by 18.7%, leasing companies by 17.9%, consumer finance companies by 1.5% and asset management companies by 11.7% whereas factoring companies have narrowed by 20.8% as compared to the previous year.

Being responsible for the supervision and auditing of 90.5% of the financial sector that has a total asset size of TL 4 trillion, BRSA contributes to ensuring effectiveness in financial intermediation by making financial markets operate accurately and effectively under a reliable system.

Shares of Institutions Under BRSA Supervision in the Financial Sector



Assets (Trillion TL)



BRSA IN FIGURES IN 2018



BRSA IN FIGURES IN 2018



519

NUMBER OF INSTITUTIONS SUBJECT
TO SUPERVISION BY THE AGENCY



539

NUMBER OF
AGENCY STAFF



28

NUMBER OF
REGULATIONS



880

NUMBER OF SECTOR
OVERSIGHT REPORTS



1,044

NUMBER OF BANK
OVERSIGHT REPORTS



327

NUMBER OF PERIODICALS
SHARED WITH THE PUBLIC



1,021

NUMBER OF
SUPERVISION REPORTS



528

NUMBER OF RESOLUTIONS
MADE BY THE BOARD



101,053

NUMBER OF DENUNCIATIONS
AND COMPLAINTS EVALUATED
BY THE AGENCY



16,689

NUMBER OF EXTERNAL
OFFICIAL LETTERS

VISION, MISSION & CORE VALUES



VISION, MISSION

VISION

Agency's Vision

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

MISSION

Agency's Mission

The Agency's mission is to ensure that the institutions subject to its supervision within the scope of its duties and authorities perform their operations in a safe and sound manner, that the credit system functions efficiently, that the rights and interests of savers are safeguarded, thereby contributing to the development of financial markets and financial stability, and to carry out other regulation and supervision activities in order to strengthen the banking system and other financial institutions under the Agency's responsibility in order to help our nation reach its strategic economic goals.

CORE VALUES

Prudence:

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

Independence:

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

Reliability:

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

CORE VALUES

Participation:

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

Efficiency:

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

Competence:

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

Responsiveness:

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

ORGANIZATION CHART

ORGANIZATION CHART

The Agency was established as a public legal entity with administrative and financial authority by the annulled Banks Law No. 4389 published in the Official Gazette 23734 dated 23/06/1999, in line with the policies for increasing the efficiency of supervision and oversight 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.

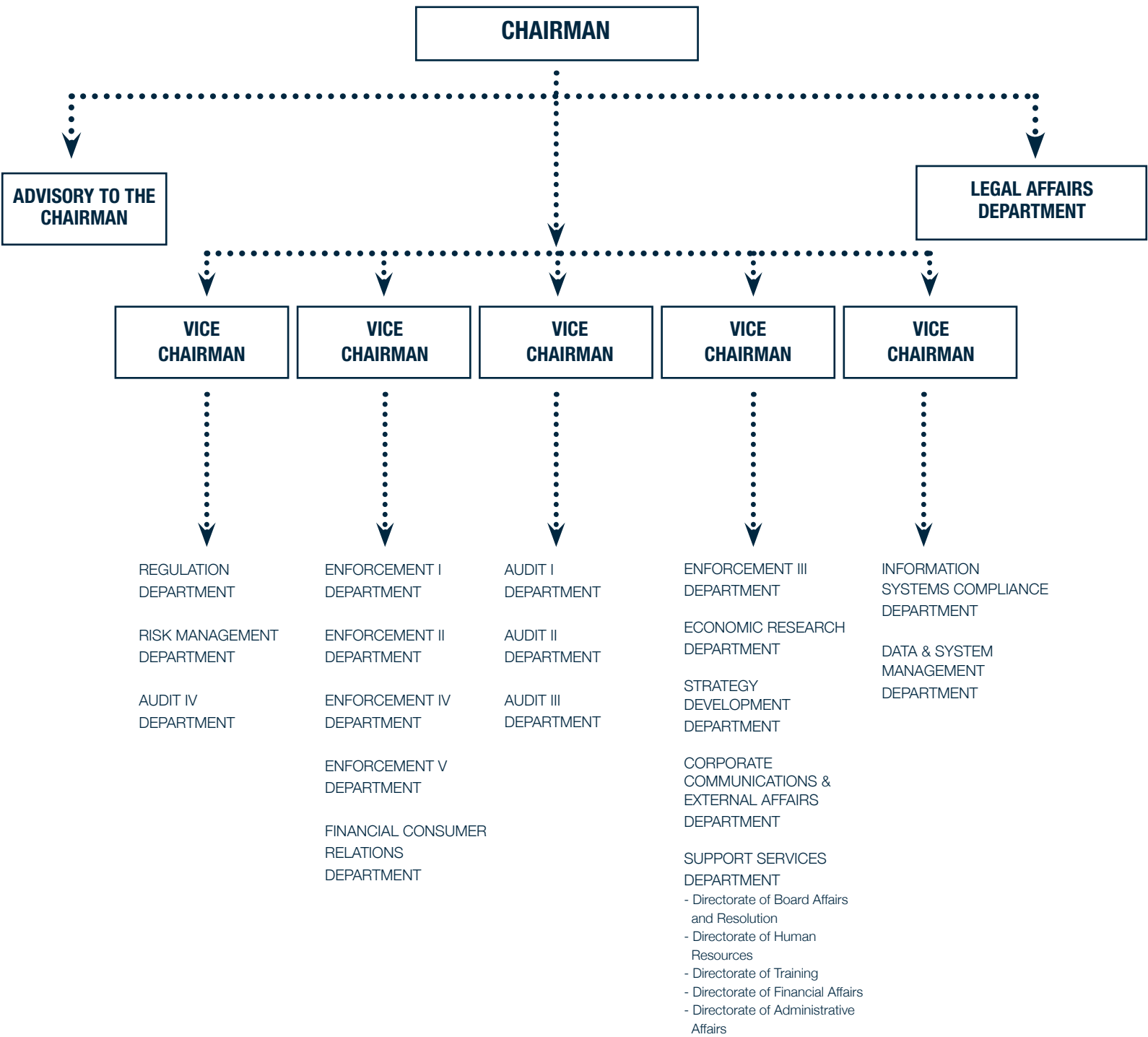
The Agency consists of the Banking Regulation and Supervision Board (Board) including the Chairman and the members and the Agency. The Chairman of the Board is the Chairman of the Agency. The Agency consists of the Chairman, five Vice Chairman and service units. Service units of the Agency consist of maximum twenty main service, advisory and auxiliary service units organized as departments. Maximum fifteen chairman 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 are 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 horizontal organization required by contemporary professional expertise.

As of the end of 2018, the Agency has 19 departments.

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

Figure 1: Organization Structure of Banking Regulation and Supervision Agency





BANKING REGULATION AND SUPERVISION BOARD

BANKING REGULATION AND SUPERVISION BOARD

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

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

within maximum 15 days from the meeting date, together with its justifications, rationale for objecting votes and signatures.

In 2018, 58 meetings were held by the Board and 528 decisions were made. When the distribution of decisions are considered, it is seen that 63.6% of the total number of decisions are related to board decisions on banks.

In 2018, 58 meetings were held by the Board and 528 decisions were made.

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

On the other hand, the figures in the table are inclusive of all issues referenced to the Board, whether or not affirmative. For example, 95 board decisions made by the Board in 2018 on permits refer to all decisions, whether or not affirmative.

When we take the Board decisions as per the distribution of subjects, we see that the top three include 49.1% on administrative fines, 18% on permit procedures, and 16.3% on regulation procedures.

When we take the Board decisions as per the distribution of subjects, we see that the top three include 49.1% on administrative fines, 18% on permit procedures, and 16.3% on regulation procedures.

Table 1: Outlook of Board Decisions

Subject of Resolution	Year 2017		Year 2018	
	Number	Share %	Number	Share %
Banks	314	65.0	336	63.6
Leasing, Factoring & Financing Companies	36	7.5	35	6.6
Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions	27	5.6	64	12.1
Valuation/Rating/Support Service Institutions	15	3.1	12	2.3
Asset Management Companies	15	3.1	23	4.4
Independent Auditing Companies	5	1.0	1	0.2
Whether or Not To File a Criminal Complaint - Temporary Suspension of Signatory Power/Removal of Suspension	36	7.5	29	5.5
Administrative, Financial and Staff Procedures of the Agency	35	7.2	28	5.3
TOTAL	483	100.0	528	100.0

Table 2: Classification of Board Resolutions by Subject

Subject of Resolution	Year 2017		Year 2018	
	Number	Share %	Number	Share %
Regulatory Actions	100	20.7	86	16.3
Permit Procedures	85	17.6	95	18.0
Administrative Fines	217	44.9	259	49.1
Cancellation of Operating License or Authorization	9	1.9	6	1.1
Whether or Not To File a Criminal Complaint - Temporary Suspension of Signatory Power/Removal of Suspension	36	7.5	29	5.5
Administrative, Financial and Staff Procedures of the Agency	35	7.2	28	5.3
Other	1	0.2	25	4.7
TOTAL	483	100.0	528	100.0

HIGHLIGHTS FROM ACTIVITIES

HIGHLIGHTS FROM ACTIVITIES

➤ National Risk Assessment (URD) Project Working Group Activities

The Prime Minister's Circular No. 2016/22 published in the Official Gazette dated 21/10/2016 and numbered 29864 states that it was decided to prepare a "National Risk Assessment Project" and a "Project Action Plan" under coordination of the Financial Crimes Investigation Board (MASAK) of the Ministry of Treasury and Finance in order to successfully complete the 4th Round of Mutual Assessment and fulfill the international obligations, and the "Steering Committee" established by the Ministry of Treasury and Finance includes the Vice Chairman of the Banking Regulation and Supervision Agency.

In this context, with the approval of the BRSA Chairmanship, the Agency participates in the working groups within the scope of the URD Project and coordinates with MASAK on matters falling within the scope of the Agency's field of expertise on the prevention of money laundering and terrorism financing within the framework of international regulations and developments. The activities carried out by the Agency's Audit Departments within the scope of URD Project in 2018 are as follows:

- Establishing the opinion of the Agency regarding the information requests received from MASAK about the sectors under the supervision and oversight of the Agency during the 4th Round of National Risk Assessment process carried out by FATF and ensuring active participation in the coordination of MASAK,
- Forming the Agency's opinion on "2018 Compliance Audit Program for Obligations" established by MASAK within the scope of Law No 5549 on Prevention of Laundering Proceeds of Crime, and performance of liability supervision within the scope of delegation by MASAK,
- Providing active participation with the CBRT and CMB with the coordination of MASAK in the FinTech / RegTech working group meetings formed under the coordination of FATF and participating in the delegation activities to form a country view on the issue,
- Providing active participation in the regulation and auditing activities of digital money and similar products under the name of virtual assets before FATE.

➤ Banking Industry Financial Structure and Credit Evaluation

Within the scope of the New Economy Program (YEP 2019-2021), comprehensive credit analyzes were conducted to determine the current financial structure and asset quality of banks. Within the scope of various scenarios, a number of impact analyzes were conducted on how the financial structure of the bank would be affected and the capital structure of the banking sector was evaluated according to the findings.

➤ Practices Regarding Fluctuations in Financial Markets

In August and September 2018, the BRSA adopted a proactive approach in order to limit the possible adverse effects of the excessive volatility in the financial markets and achieved significant success in reducing both the size and duration of the fluctuations. Some of these measures are summarized below.

Because of the national economy fluctuations and foreign exchange market speculations, the amendments made to "Regulation on Amendments to Regulation on Bank Cards and Credit Cards", "Regulation on Amendments to Regulation on Banks' Credit Transactions", and "Regulation on Amendments to Regulation on Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies" issued on Official Gazette dated 15/8/2018 and numbered 30510 were aimed at avoiding the effects of increasing the current transactions deficit by reducing the number of installments in import-based sectors as much as possible; continuing with the installment practice for sectors with low import rates that rely on domestic production; encouraging the growth; reducing the overspending; increasing domestic savings and promote conscious consumption.

The fluctuations in the markets affected the real sector as well as the financial sector and increased the restructuring demands of the firms. The resolution of the financial problems of the real sector depends on the ability of the manufacturing firms, which create significant added value to the economy but experience financial difficulties,

to continue to create added value and employment and fulfill their repayment obligations to the financial sector. With the Regulation on the "Restructuring of Debts to the Financial Sector" published in the Official Gazette dated 15/8/2018 and numbered 30510 within the framework of a reconciliation platform including financial restructuring program in order to ensure that the producers having financial difficulties continue their production and repay their debts to the financial sector. It is aimed to re-loan the sector. The Financial Restructuring Framework Agreement, which was approved on 19/09/2018, aimed to provide an environment for the real sector to fulfill its repayment obligations to the financial sector within a reasonable time and under reasonable conditions.

On the other hand, in order to take into account the demands coming from the sector, to dissolve the excess supply and to encourage domestic production, the Amendment to the Regulation on the Credit Transactions of Banks, and the Regulation Amending the Regulation on Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies published in the Official Gazettes dated 30/11/2018, numbered 30608 and dated 25/01/2019, numbered 30666 were enacted.

In 2018, in order to prevent devaluation of Turkish Lira and foreign-originating speculation attacks, the Board Decision 7929 dated 12/08/2018 was made to stipulate that "For money swaps that consists of foreign currency and TL performed by banks with foreign residents, the sum of swap transactions in which domestic banks exchange TL with foreign currency on the start date of transaction will not exceed 50% of the most recent legal equity of banks; that swap-like transactions (spot + forward exchange) will also be included in the calculation of this limitation; that the said rate will be calculated as solo and consolidated on a daily basis; that in case of any exceeding amounts, it will not be allowed to make new transactions until such exceed amounts are rectified; that due transactions of this nature will not be renewed."

In the following dates, different Board decisions aimed at the mentioned limitation aimed to prevent the speculative

movements of the TL liquidity contraction in the foreign exchange market. Within the scope of the mentioned Board decisions;

- The rate of 50% was re-determined as 25% and the possibility of speculative transactions was further reduced,
- Non-swap transactions such as forward and option transactions to be carried out by banks in terms of TL purchases in the term are also included in the above scope and the limits are extended,
- Non-speculative transactions carried out by banks with their shareholders and related to the management of exchange positions are exempted from transactions included in the 25% limit,
- In the calculation of the transactions included in the 25% limit, 75% of transactions with 90 to 360 days maturity and 50% of transactions with 360 days and above are taken into consideration.

➤ Practices Regarding Information Systems

IT Compliance Directorate is responsible for effectively performing the regulation, implementation and audit functions on IT systems of institutions under the responsibility of the Agency. Independent Audit Tracking System (BADES) 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 leak test reports, findings and action plans generated by independent auditing institutions.

Institutions which want to operate under the provisions of the "Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions" (the Law) apply to the Agency for an operation permit. "Regulation on Payment Systems and Electronic Money Issue and Payment Institutions and Electronic Money Institutions requires that institutions have independent audits performed on the adequacy of their IT systems and submit the report to the Agency. IT systems audit reports of institutions which apply for

an operating license are submitted to the IT Compliance Directorate and an opinion is provided on the adequacy of IT systems with regards to the Law and the Communiqué pursuant to "Communiqué on Management and Audit of IT Systems of Payment Institutions and Electronic Money Institutions" (the Communiqué).

The process of review of IT systems adequacy reports for payment and e-money institutions within the scope of operating license procedure which started in 2015 continued in 2018. Assessment works were carried out by following the action steps specified in the 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 2018, assessments on IT systems within the scope of operating permit applications of organizations was conducted and the process was implemented in coordination with the Agency's internal units. IT reports submitted to the IT Compliance Directorate were reviewed, independent audit institutions were contacted to take action in order to eliminate deficiencies and ensure that the reports are suitable for evaluation. Meetings were held with the applicant institutions on issues related with IT systems where necessary. With the Communiqué, organizations that started their operations after obtaining operating permits in regards to the mandatory independent IT system audits were ensured to have participated in BADES, and reports of IT systems audits carried out by independent organizations in 2017 were carried out in 2018. Within the scope of the fight against illegal betting and gambling, mechanisms for the tightening of controls in order to prevent the use of criminal organizations by means of alternative distribution channels as a means of transferring money and taking this approach into consideration in all similar products that are currently in practice and which will be implemented in the future. Necessary investigations were carried out to prevent fraud incidents using Bank ATMs and efforts were made

to eliminate the disruptions in the process.

Cyber events in the banking industry are being monitored within the scope of Industrial Cyber Issues Intervention Teams' (SOME) activities by the Agency, acting as the regulation and auditing authority in banking industry which is identified as one of the critical infrastructure industries, and the 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. The increase in the number of ads containing fake bank sites targeting bank customers in some social media platforms and determination that these are used in fraud actions to withdraw money from users' accounts, we delivered a press release to ensure that bank customers do not suffer from these ads by clicking on them and they should not enter personal information on the sites they reach.

In order to prevent risks to our nation's cyber space and to increase the safety of our country, the information which reached the Agency throughout the year was immediately communicated to the banks' SOME teams and feedback was obtained about the actions taken and the current situation, and feedback was given to related institutions accordingly.

As the quality and diversity of financial services provided through rapid developments in technology increased day by day, wide participation studies were carried out with the relevant public authorities and the sector and relevant stakeholders in order to ensure that agile and customer friendly approaches of Financial Technology (FinTek) initiatives bring a new approach to the world of finance. The current situation of FinTek developments in our country contributed to the determination of possible cooperation opportunities and risks for a healthy and strong FinTek formation and preparation of a road map within the framework of regulation. The latest developments in blockchain and crypto currencies have been closely followed and evaluations and studies have been conducted in various meetings, seminars and workshops.

➤ Strategic Plan and Business Processes

The Fourth Strategic Plan of the Banking Regulation and Supervision Agency, covering the period of 2019-2021, started to be prepared in 2018 in order to identify and carry out the critical steps for the effective fulfillment of the duties assigned to it by the Agency and accepted through the Banking Regulation and Supervision Board Decision No. 07/03/2019 and 8286. The BRSA Strategic Plan, which was established within the framework of the opinions and suggestions of the relevant units of the Agency, aims to provide confidence and stability in the financial markets, to ensure that the credit system operates effectively, to protect the rights and interests of the savings owners and to improve the financial sector. In addition, the policies, objectives and targets included in the Strategic Plan have been determined in accordance with the mid-term New Economy Program covering the years 2019-2021, with the awareness that the activities envisaged should be consistent with the general economic policies and the activities of other relevant institutions.

Corporate business processes have been developed in coordination with the related units in order to attain the corporate targets in the Strategic Plan, to increase the managerial effectiveness and to create a dynamic structure, job descriptions are created on the basis of title, and the requirements of the job, the required competencies and responsibilities have been determined.

➤ Training Provided for Foreign Organizations

In 2018, within the framework of training programs organized by Agency's Education Directorate, the Agency Supervision Office personnel has given trainings to participants from Kyrgyzstan Central Bank under Technical Cooperation Agreement, and from Ethiopia Central Bank under coordination of World Bank International Finance Corporation (IFC).

Table 3: Trainings Provided for Overseas Institutions by the Personnel of Audit Departments

Date	Training Duration (Days)	Training Subjects	Participating Country	Related Organization	Number of Attendees
November 2018	2	Evaluation of the Management of a Commercial Bank from an External Supervision Framework	Kyrgyzstan	Central Bank of Kyrgyzstan	8
December 2018	3	Onsite Audits in Turkey: General Framework and Supervision Approach Onsite Audits in Turkey: Risk Assessment and CAMELS Rating Method Leasing Accounting Framework New Legislations and Global Outlook BRSA's Approach to Audit and Regulation of Financial Leasing Companies (BRSA's Licensing Process and Public Oversight) BRSA's Approach to Audit and Regulation of Financial Leasing Companies (BRSA Audit and Audit Results of Leasing Companies) New Products and Potentials (Barriers and Opportunities) Financial Analysis of Financial Leasing Company	Ethiopia	Central Bank of Ethiopia	10

REGULATORY ACTIVITIES



REGULATORY ACTIVITIES

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

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

» Enacted Regulations

In 2018, one new regulation, one new communiqué and one new circular were created and 21 regulations and four communiqué amendments were made.

Table 4: Distribution of Enacted Regulations by Type

Distribution of Enacted Regulations by Type	2017	2018
Law	-	-
Amendment of Law	-	-
Regulation	2	1
Amendment of Regulation	21	21
Communiqué	2	1
Amendment of Communiqué	5	4
Circular	-	1
TOTAL	30	28

Regulations

» Regulation on the Amendment to the Regulation on the Promotion of Personnel and Title Changes of the Banking Regulation and Supervision Agency (Official Gazette No: 30343 dated 25/02/2018): General Regulations on the Principles of Promotion and Title Change in Public Institutions and Organizations regarding the examinations and the requirements of the Agency, taking into account the service needs of the Agency have been amended and the necessary additions have been made regarding terms and conditions of appointments and the titles.

» Regulation Amending the Regulation on Measurement and Assessment of Capital Adequacy of Banks (Official Gazette No. 30360 dated 14/03/2018): Amendments have been made in the calculation of the risk amount within the framework of the amendments made under the scope of TFRS 9; general provisions that are considered as provisions for expected loss in the event of TFRS 9 implementation have been started to be accounted in the assets part of the balance sheet like the special provisions, reducing the share of credit amounts in the balance sheet. This amendment changes the amount of risk calculated using the standard approach in accordance with the Regulation on Measurement and Assessment of Banks' Capital Adequacy. Therefore, there was a need to make amendments to the said Regulation in this context, but the effective date of the said amendment was determined to be two years later in order to enable banks to adapt to such changes. In addition, following the application of TFRS 9, a provisional article has been added for banks applying transition process in equity calculation.

» Regulation Amending the Regulation on the Equity of Banks (Official Gazette No. 30360 dated 14/03/2018): In order to prevent the negative impact of the application of the TFRS 9 standard that was enacted in 2018 on the banks' capital adequacy ratios, the new reserve allocation method started to be implemented within this standard in order to determine how the general provisions will be taken into account in the equity calculation, the application of the banks that have chosen the general

provisions of TFRS 9 to take into account the contribution capital calculation within the framework of the foreseen limitations, and the new provision calculation has been foreseen in the Basel standard in order to prevent the capital adequacy of the banks with the shock effect at a time. add the increase of provision created by this new practice to the core capital over a four-year period provision has been established.

» Regulation on the Amendment of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for These (Nr. 30373 dated 27/03/2018): Provision has been added to the Regulation for the non-performing classification of receivables amounting to less than 100 Turkish Liras to the discretion of banks and the phrase "500 thousand" in the ninth paragraph of the article has been changed to "1 million".

» Regulation Amending the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies (Official Gazette No: 30409 dated 02/05/2018): With the said amendment, the allocation of provisions under TFRS 9 has been made optional (provided that the Agency is notified), and the requesting companies will be able to allocate provisions for the expected credit losses; allocation of special provisions for receivables amounting to TL 100 and below and transfer of these amounts to follow-up accounts were left to discretion of the companies; and with the 4th article, the financial tables attached to the said Regulation were updated on by taking account the provisions of TFRS 9 on financial assets, liabilities and expected loss provisions.

» Regulation on the Amendment of the Regulation Regarding the Credit Transactions of Banks (Official Gazette No: 30444 dated 07/06/2018): Since it is considered that the loans granted to public institutions and organizations with the condition of paying directly to the account of the related institution or organization are not intended to

finance individual consumption expenditures, the third paragraph of Article 12 / A of the Regulation on Credit Transactions of Banks was amended so as to exclude these loans from the maturity limit for consumer loans.

»» **Regulation on the Amendment of the Regulation on Bank Cards and Credit Cards (Official Gazette No: 30470 dated 06/07/2018):** With the Regulation, card issuers will decrease the card limits of card holders within seven days upon card holders' request so that card holders may obtain a credit card from another card issuer to the limit that was made available after the said decrease.

»» **Regulation Amending the Regulation on the Principles Regarding the Authorization and Activities of Rating Agencies (Official Gazette No: 30473 dated 06/07/2018):** In case a rating agency has not provided a rating for a bank's Capital Adequacy calculation, the risk weights are applied conservatively and they have to work with a higher capital. For that, a multi-stakeholder rating agency need has arisen and a certain number of legal persons were allowed to become stakeholders in this. With the Draft Regulation, it is mandatory that the ratings given by the rating agencies be disclosed to the Risk Center in order to be made available to the banks if they are disclosed to the public or not. The requirement that a rating agency has been engaged in rating activities for at least 5 years has been changed to at least 3 years and it has been reported that this period can be reduced by the Board.

»» **Regulation on the Amendment of the Regulation Regarding Banks' Permitted Transactions and Indirect Share Ownership (Official Gazette No: 30509 dated 14/08/2018):** With the amendment, partnerships that are established through Laws, Decree Laws or Board of Ministry Resolutions and service provisioning of which will be based on acquisition of shares from its capital, and acquisition of shares in partnerships established by one or more banks and financial institutions within the scope of risk management practices will not be subjected to Article 8, paragraph seven of the Regulation provided that the company will not be in individual or joint control of a domestic partnership, total shares do not exceed

0,3% of its equities and a report on the area of activity of the partnership is submitted to BSRA 30 days prior to the transaction, and therefore, the said provision has been amended.

»» **Regulation on the Amendment of the Regulation on Bank Cards and Credit Cards (Official Gazette No: 30510 dated 15/08/2018):** With the Regulation, the installment limit of 4 months has been abolished in the expenditures related to the credit cards and the expenditures related to the jewelry have been subject to the installment prohibition. The installment limit of 6 months was reduced to 3 months, the installment limit of 9 months was reduced to 6 months for the expenses related to airlines, travel agencies, transportation, accommodation, payments to clubs and associations, and the general installment limit of corporate credit cards was reduced to 9 months from 12 months.

»» **Regulation Amending the Regulation on the Amendment of Banks' Credit Transactions and Amendment to the Regulation on the Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies (Official Gazette No. 30510 dated 15/08/2018):** With the said Regulations, the maturity limit of consumer loan was decreased from forty eight months to thirty six months, vehicle loans and vehicle secured loans the current forty-eight month limit was maintained, and the maturity of the loans granted for the purchase of mobile phones, tablets and computers has been limited to 6 months.

»» **Regulation on the Restructuring of Debts to the Financial Sector (Official Gazette No. 30510 of 15/08/2018):** For manufacturing firms, which create significant added value to the economy but experience financial difficulties, continue to create added value and fulfill their repayment obligations to the financial sector, it is aimed to provide loans to the sector by banks within the framework of a consensus platform including financial restructuring programs. Subsequently, the Framework Agreement on Financial Restructuring was approved by the Banking Regulation and Supervision Board dated 19/9/2018 and numbered 7978.

»» **Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for These (Official Gazette No. 30510 dated 15/08/2018):** With the amendment, paragraphs 2 and 4 of Article 7 of the Regulation have been repealed and one-year monitoring and minimum ten percent payment terms, which are among the conditions to be excluded from the scope of restructuring, provided that the loans classified as restructured receivable under the Second Group are not searched under the Second Group for at least 3 months and can be reclassified under the First Group.

»» **Regulation Amending the Regulation on Payment Services and Electronic Money Exports and Payment Institutions and Electronic Money Institutions (Official Gazette No. 30563 dated 12/10/2018):** With the amendment to Law No 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, the provisions that cover PTT were determined again considering that PTT will be authorized to issue e-money, activities of payment and e-money institutions were clarified, the said institutions were prohibited to deliver their payment services through agencies, franchises, etc. in order to protect consumers and increase the Agency's supervision efficiency, and also relevant paragraphs of articles 5, 8, 21, 22, 27, 28 and 57 of the Regulation were amended accordingly.

»» **Regulation Amending the Regulation on the Procedures and Principles Regarding Deposits, Participation Funds, Deposits and Receivables Subject to Acceptance, Withdrawal and Timeout of Deposit and Participation Fund (Official Gazette No. 30569 dated 18/10/2018):** Participation banks have been granted the authority to collect funds through participation accounts based on the investment proxy agreement, one of the methods that used by participation banks to collect funds in international transactions, provided that such transactions are limited to public entities, funds and legal entity customers. On the other hand, the wet signature requirement was abolished in account opening transactions, reducing the operational costs incurred by banks in account opening transactions and providing additional resources by facilitating account opening transactions from abroad.

»» **Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them (Official Gazette No. 30569 dated 18/10/2018):** The application of reserves (profit balancing reserve) that participation banks allocate from their participation accounts as per the third paragraph of article 19 of the Regulation and was removed from the scope of regulation and brought to the scope of the Regulation on the Procedures and Principles Regarding the Acceptance, Withdrawal and Timeout of Deposit and Participation Fund with the amendment issued on Official Gazette of the same date.

»» **Regulation Amending the Regulation on Procedures and Principles Regarding Fees to be Charged from Financial Consumers (Official Gazette No. 30575 dated 24/10/2018):** As of 16.07.2018, the Gold Transfer System, which will enable transfer of gold-denominated assets in the account of the financial consumer through İstanbul Takas ve Saklama Bankası A.Ş. has started to serve the system member banks and customers. Considering that the system will have costs for the banks such as "Participation Fee", "Custody Commission" and "Transfer Transaction Commission", article 12 of the said Regulation was amended and a paragraph was added to stipulate that gold transfers to be made by financial consumers will be charged so that it does not exceed fifteen percent of the transfer transaction cost in order to cover transfer transaction cost that take into account "Transfer Transaction Commission" and other costs (Participation Fee, Custody Commission).

»» **Regulation on Amending the Regulation on Restructuring of Debts to the Financial Sector (Official Gazette dated 21.11.2018 and numbered 30602):** With regards to the Regulation on Restructuring of Debts to the Financial Sector, written and verbal opinions of foreign partners of Turkish banks and international finance institutions were relayed to the Agency; and as a result of their evaluation, the Regulation on Amending the Regulation on Restructuring of Debts to the Financial Sector was issued in order to provide clarifications and remove duplicate provisions so as to prevent any problems in practice.

»» **Regulation on the Amendment of the Regulation on Bank Cards and Credit Cards (Official Gazette No: 30608 dated 27/11/2018):** With the amendment of the Regulation, the implementation of six months installments has been continued for the expenses in abroad related to airlines, travel agencies and accommodation with credit cards; In terms of domestic expenses related to airlines, travel agencies and accommodation, the installment limit was increased from six months to nine months.

»» **Regulation Amending the Regulation on the Amendment of the Regulation on Credit Transactions of Banks, Regulation on the Establishment and Operation Principles of Financial Leasing, Factoring and Financing Companies (Official Gazette No: 30608 dated 27/11/2018):**With the amendment, the maturity of credits utilized for purchasing mobile phones that are priced up to TL 3500 is increased from 6 months to 12 months; and the six-month limit is not changed for credits utilized for purchasing mobile phones that are priced over TL 3500; and temporary articles were added to the Regulations so that the maturity for credits utilized for purchasing mobile phones that are priced over 3500 will be implemented as 12 months until 31/1/2019.

Communiqués

»» **Communiqué on the Amendment to the Communiqué on the Calculation of Credit Risk Base Amount by means of Internal Rating Approaches (Official Gazette No: 30360 dated 14/03/2018):** Since it has become necessary to revise the Turkish Lira equivalents of certain limitations set as Euro by the Basel standards due to changes in foreign exchange rates, amendments were made so that the said limitations will be determined by the Agency in order to make the revisions more effectively; and also SMEs were defined with reference to Regulation on Measurement and Assessment of Banks' Capital Adequacy. In the

said regulation, SMEs are defined as enterprises with a turnover of less than TL 50 million, while they are defined as enterprises with a turnover below a limit to be determined by the Board with a previous amendment. In this context, necessary changes were made in the correlation formula used to calculate the risk weights of SMEs.

»» **Communiqué on the Amendment to the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks (Official Gazette No: 30360 dated 14/03/2018):**The provision regarding the capital adequacy ratios of banks that prefer transition to TFRS within the scope of Equity Regulation stipulates that the applied amounts/rates will be indicated and disclosed in their footnotes and websites; and the temporary article 3 of the Communiqué stipulated that banks will add a basic information column during the TFRS 9 transition and make necessary explanations to the public.

»» **Communiqué amending the Communiqué on Uniform Chart of Accounts to be Applied by Financial Leasing, Factoring and Financing Companies (Official Gazette No: 30409 dated 02/05/2018):** Taking into account the effectiveness of TFRS 9 on 01/01/2018 and the amendments to the Regulation on Amendments to the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Finance Companies; some accounts were revoked from the Communiqué on the Uniform Chart of Accounts to be Applied by Financial Leasing, Factoring and Finance Companies, some new accounts were opened and some account names and descriptions were updated.

»» **Communiqué on Principles Regarding Debt Instruments to be Included in Equity Calculation (Official Gazette No: 30444, dated 07/06/2018):** With regards to the characteristics of borrowing instruments to be included in equity calculation as per articles 7 and 8 of the Regulation on Banks' Equity, it is stipulated that such instruments may be removed from

records, subjected to devaluation or transformed into shares. In this context, "Communiqué on Principles of Borrowing Instruments to be Included in Equity Calculation" has been prepared in order to determine the procedures and principles regarding the unregistration, devaluation and conversion to share certificates from these records.

»» **Communiqué on the Amendment of the Communiqué on Uniform Chart of Accounts and Prospectus to be Applied by Participation Banks (Official Gazette No. 30569 dated 18/10/2018):** The said Communiqué was amended for the participation accounts based on investment proxy under the Regulation on Amendment to Regulation on Procedures and Principles Regarding Acceptance and Withdrawal of Deposit and Participation Fund, and Outdated Deposits, Participation Funds, Sureties and Receivables as promulgated on the Official Gazette of the same date.

Circulars

»» **Circular No. 02/03/2018 dated 2018/1:** The Circular provides explanations and examples regarding the conditions of "financial difficulty" and "privilege" conditions of restructuring as defined in the first paragraph of Article 7 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them.

» Regulations with Preparatory Work in Progress

»» **Draft Regulation Regarding Banks' Net Stable Funding Ratio Calculation:** Draft Regulation Regarding Banks' Net Stable Funding Ratio Calculation was prepared on the basis of Basel III Standard on Net Stable Funding Rate that was accepted by Basel Banking Supervision Committee (BCBS) on October 2014 and amended in June 2018, and other relevant documents. With the Basel III standard, it is aimed to strengthen the

passive structure of banks to ensure more stable and reliable funding in order to prevent the liquidity levels of the funding risk that banks may be exposed to in the medium and long term. The net stable funding rate, which is planned to be measured in both consolidated and unconsolidated form, should not be less than 100 percent of the three-month simple arithmetic average in March, June, September and December.

»» **Draft Regulation on Measurement of Leverage Ratio of Banks:** Planned amendments are calculation of security-guaranteed and commodity-guaranteed financing transactions for leverage ratio calculation as an individual risk item rather than balance sheet assets and detailing of calculation methods with various settling criteria, deduction of special provisions in addition to general provisions from the risk amount of balance sheet and off-balance sheet asset, application of conversion rates set forth by Article 5 Paragraph Three of the Regulation on Measurement and Evaluation of the Capital Adequacy of Banks for calculation of the risk amounts of off-balance sheet transactions, and change of the method of calculation of risk amounts of derivative financial instruments and credit derivatives. Considering that these innovations will create extensive changes in the content and structure of the present Regulation, the Draft Regulation on Measurement of Leverage Ratio of Banks has been prepared instead of drafting the regulation amendment and it has been foreseen that the existing Regulation will be repealed.

»» **Draft Regulation on Amendment of the Regulation on Measurement and Assessment of Capital Adequacy of Banks:** In line with Basel III revisions proposed by the Basel Banking Supervision Committee (BCBS), amendments to the calculation of counterparty credit risk and calculation of capital obligation regarding risks to central counterparties were regulated in ANNEX-2 and ANNEX-4 of the "Regulation on Measurement and Assessment

of Banks' Capital Adequacy" and made effective by the Official Gazette 29511 dated 23/10/2015. The "The Standardized Approach for Measuring Counterparty Credit Risk Exposures" document issued by BCBS after that set forth several changes to calculation of counterparty credit risk and stipulated 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 said Regulation in order to ensure full compliance with Basel III. In addition, with the document "Capital Requirements for Bank Exposures to Central Counterparties" prepared by BCBS, changes in the calculation of capital obligation regarding risks to central counterparties were envisaged and amendment was needed to make to Annex-4 of the Regulation to ensure full compliance with Basel III. In this context, Draft Regulation on the Amendment of the Regulation on Measurement and Assessment of Capital Adequacy of Banks was prepared.

»» **Draft Communiqué on Amendment to the Communiqué on Credit Risk Reduction Methods:** As a result of using "standard approach for measurement of counterparty credit risk" instead of "fair value valuation method" and "standard method" in the calculation of counterparty credit risk calculation, any references to fair value valuation method" and/or "standard method" in "Communiqué on Credit Risk Mitigation Techniques" were needed to be changed as references to "standard approach for measurement of counterparty credit risk", and a communiqué amendment was drafted accordingly.

»» **Draft Communiqué on Explanations Publicly Disclosed by Banks on Risk Management:** "Communiqué on Explanations Publicly Disclosed by Banks on Risk Management" (current Communiqué) was drafted based on the Basel standard titled "Revised Pillar 3 Disclosure Requirements" issued by the Basel Banking Supervision Committee (BCBS) in January 2015

and made effective by the Official Gazette 29511 dated 23/10/2015. Some changes have been made to the aforementioned standard by BCBS at a later time. Since the amendments made to Basel standards differ extensively from the structure and content of the present Communiqué, a new Communiqué Draft was prepared instead of drafting the communiqué, and the existing Communiqué was foreseen to be repealed following the entry into force of the draft regulation.

»» **Draft Regulation on Information Systems and Electronic Banking Services of Banks:** There have been significant developments in IT since the "Communiqué on Principles Applicable to IT Management at Banks" which was made effective by the Official Gazette 26643 dated 14/09/2007. There has been a need to update the controls on information systems management components such as various service channels currently used by banks, risks arising from the use of these services, technological infrastructure, cyber and physical security controls, against technological developments. Experiences gained as a result of auditing activities carried out by both the Authority and independent auditing institutions; other country regulations on the management and auditing of bank IT systems; instructions given to eliminate the problems identified in the auditing and supervision activities; evaluations and reports on this matter; and as a result of evaluation of requests, suggestions and complaints from other institutions, banks and bank customers; the "Draft Regulation on Information Systems and Electronic Banking Services of Banks" was prepared to replace the Communiqué. In addition to the general provisions to be taken as basis in the information systems management of the banks in the Communiqué, the Draft Regulation includes provisions on innovative approaches that can guide the sector in banking services provided through digital channels.

»» **Draft Communiqué on Banks' Internal Systems for Compliance to Participation Banking Principles and Standards:** This Communiqué will regulate the methods and principles applicable to internal systems which will be established by participation banks and development and investment banks which provide finance services in line with participation banking principles and standards based on the methods listed in Article 19 Paragraph One of the Regulation on Banks' Credit Transactions.

»» **Regulations with Studies Completed and Enacted in 2019**

»» **Regulation on Amendment of the Regulation on Banks' Credit Transactions (RG 30666 dated 25/01/2019):** Planned amendments are the bank's risk group and the relations of individuals listed in Article 50 Paragraph One of the Banking Law 5411 with their banks for the purposes of improving the applicable legislation, ensuring that rating activities are obligatory in phases beginning with the corporations with high revenues within the scope of efforts to establish a national credit rating institution, increasing the rate of value of mortgage to ninety percent for real estate with Class A Energy ID and eighty five percent for real estate with Class B Energy ID, exemption of loans offered by public banks from the credit limitations set forth by Article 54 of Law No. 5411, methods and principles applicable to funds provided by participation banks, increase of the vehicle loan limit as compared to the value of the vehicle from TL 100,000 to TL 120,000, increase of installment limits for consumer loans provided for payment of credit card debts from 36 months to 60 months as limited to the total credit card debt including those where minimum payment was paid and the remaining amount was restructured.

»» **Regulation on Amendment of the Regulation Regarding Banks' Permitted Transactions and Indirect Share Ownership (RG 30685 dated 13/02/2019):** The planned amendments to Article 9 Paragraph One and Article 8 Paragraph Seven of the Regulation will ensure that, in line with the corporate governance provisions and protective provisions of the Banking Law 5411 and the article as a whole, shares purchased by Turkish banks in other countries due to the applicable legislation of such country and additional branches opened following a permit received from the Board earlier and purchase of shares for the purposes of collecting receivables will not be subject to the approval of the Board and the provisions of Article 8 Paragraph Seven of the Regulation will not be applicable to establishment of joint ventures by the financing companies established as per Article 19 of "Regulation on Banks' Credit Transactions" which will be amended.

»» **Communiqué on Management and Control of IT Systems of Leasing, Factoring and Financing Companies (RG 30737 dated 06/04/2019):** The principles on provision of the management system for IT systems as set forth by Leasing, Factoring and Financing Companies Law 6361, management of information assets, data security, purchase and management of services, creating the audit trails for accountability and audits to be performed by independent audit companies are defined.

AUDIT ACTIVITIES



AUDIT ACTIVITIES

➤ Financial Structure Audit

On-Site Auditing Activities

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

These activities include analysis of risks encountered by institutions, analysis of financial strength, supervision of compliance with the Law and the applicable legislation, detection of problems and vulnerabilities through reports and analyses of the supervision unit, and notification of concerning units and decision makers in case of negative issues without waiting for the issuance of standard reports in case of adverse developments and vulnerabilities. The audit function is performed using various resources including the Agency's database.

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

The supervision tasks assigned to the Agency with the applicable legislation are performed by the Board, Chairmanship, Second Chairmanship, Directorates and group managers operating under them as well as professionals assigned to temporary and/or stable 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 current resources and perform audits in line with the guidelines drafted on the basis of international practices and Risk-Focused Auditing approach. With the characteristics of being dynamic, future-oriented, effective and protective, Risk-Focused Auditing approach ensures determination

of scope, scale, duration, content and intensity of the audit to be performed. Purpose of Risk-Focused Auditing is to establish a holistic view of the financial strength of organizations, size of risks they encounter and quality of their risk management; and to ensure early detection of trends that may threaten the financial strength of organizations.

The scope of on-site audit in accordance with the Banking Law and other relevant regulations;

- 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 structure,
- Adequacy and efficiency review of bank's internal control, risk management and internal audit systems,
- Supervision of bank's financial tables and books in terms of compliance with accounting principles and standards,
- Supervision of bank's activities in terms of compliance with the provisions of the Banking Law and other regulations applicable to institutions within the scope of the Law,
- Review of issues regarding the priority activities of banks,
- Consolidated supervision of financial holding companies and/or main partner with associates and other partnerships,
- Supervising the activities of factoring, financial leasing and financing companies,
- Supervising the activities of asset management

- companies,
- Supervising the activities of independent audit companies,
- Supervising the companies subject to Debit Cards and Credit Cards Law,
- Supervising the rating companies at the authorization process,
- Supervising the payment institutions and electronic money institutions subject to Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions,
- Review of notifications and complaints other than those received by the Agency on individual products and services and which require on-site audit,
- Reviews made upon requests of public prosecutors, MASAK Chairmanship and other relevant institutions and organizations

. Good practice guidelines are issued to guide banks on various issues, particularly risk management frameworks, and to inform them about the assessment criteria to be considered in audits conducted by the Agency. The principles listed in the good practices guidelines are systematically used as criteria in assessment of the efficiency and effectiveness of major banks'

implementations the Agency's assessments on findings during or after the audit are based on these principles. For other banks, the issues in good practice guidelines are considered according to the principle of proportionality.

Supervision Cycle

Onsite auditing process carried out by the Agency is established so as to provide a risk-oriented, dynamic, efficient and future-oriented auditing 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 that it suits the characteristics of Turkish banking industry, and is 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 approach recommendations set forth in 2016 FSAP Report were put into force in 2017 upon approval of the Agency Chairmanship.

The supervision cycle designed within the frame of Risk-Focused Audit 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-Focused Audit, supervision frequency and scope are defined for the bank using the matrices based on the criteria specified in Auditing Process Guide (bank's previous rating, size of risky assets etc.) by the Audit I, II and III Directorate Heads chaired by the Second Chairman Responsible for Audits. In this context, the banks that will perform the audit, auditing scope, audit groups, group chairmen and on-site auditing teams are determined and submitted to the approval of the Chairman.

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 structure of banks.

During the risk analysis phase of the audit cycle, the audit team makes a preliminary assessment of the bank's risk management adequacy. This assessment is inclusive of assessment of the bank's basic risks, 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; İSEDES (Internal Capital Adequacy Assessment Process) report; independent audit reports; internal systems reporting to the Agency and various data, especially the database of the 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 future-oriented audit 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-focused approach and provide a basis for the audit plan for the bank.

Benefits expected from the RAS system are;

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

and others.

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

Audit plans are prepared by the Group Manager with the assistance of audit group members and submitted to the approval of the Chairman upon confirmation of the Directorate Head and Second Chairman as specified in the Audit Regulation and Audit Guideline.

Audit plans basically specify the bank's risk areas specified during the risk analysis, audit terms and Bank Auditors assigned for on-site audit in these areas. The basic principle is to implement the Audit Plan during the audit cycle without any change; however, changes can be made by approval of the Chairman 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 İSEDES reports. The rating system consists of six assessment components: organization and management, adequacy of shareholders equity, resource structure and liquidity, quality of assets, balance of income and expenditures, and profitability and sensitivity to market risks. Ratings of all components are evaluated together and the final combined 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 THP and Turkish Accounting Standards is also evaluated.

İSEDES 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 Structure and Assessment Report issued for the bank is submitted to the Directorates.

Supplementary and Thematic Reviews

Upon completion of CAMELS Rating and Risk Assessment processes, the policies and processes on legislation audit and 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 through MASAK regulations and audit findings and notification-complaint reviews were completed.

Table 5: Institutions Under Supervision

Organization Type	2013	2014	2015	2016	2017	2018*
Banks	49	51	52	52	52	53
Deposit Banks	32	32	32	32	32	32
Participation Banks	4	4	4	5	5	6
Development and Investment Banks	13	13	13	13	13	13
Banks under TMSF	2	2	3	2	2	2
Non-Bank Financial Institutions	122	119	107	101	99	94
Leasing Companies	33	30	29	26	25	23
Factoring Companies	76	77	66	61	60	57
Financing Companies	13	12	12	14	14	14
Other Organizations	223	230	246	351	357	371
Asset Management Companies	11	10	13	15	15	20
Independent Auditing Companies	42	39	39	119	125	125
Rating Companies	1	1	1	1	1	1
Valuation Companies	114	123	127	129	130	134
Foreign Bank Offices	47	48	48	47	46	44
Financial Holding Companies	3	3	3	2	0	0
Payment Institutions	0	0	5	25	29	34
Electronic Money Institutions	0	0	4	7	11	14
Other	5	6	6	6	0	0
Total	394	400	405	504	508	519

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

Audit Results

As a result of the audits carried out by the audit teams under the Second Chairman of Audit in 2018; a total of 260 reports, 16 risk analysis opinions (RAS) and 367 opinions were issued on Financial Body and Rating Report, legislation audit, notice and complaints, etc. The following table shows a comparison of the number of opinions and reports in 2018 with the previous year.

Table 6: Supervision Reports

Subjects	2017		2018	
	Number	Share %	Number	Share %
Risk Analysis Opinion	19	2.9	16	2.5
Financial Structure and Rating Report	12	1.9	22	3.4
Inspection of Legislation	87	13.6	86	13.4
Notifications and Complaints	135	21.1	105	16.3
Inspection of Domestic Branches	-	-	2	0.3
Inspection of Legislation Applicable to Other Finance Institutions	7	1.1	14	2.2
Inspection on Notifications and Complaints on Other Finance Institutions	18	2.8	30	4.6
Opinions*	363	56.6	367	57.1
Other	-	-	1	0.2
Total	641	100.0	643	100.0

* The opinions are prepared in the cases where there is no need to prepare a report, in the opinions given to the draft drafts, in cases where additional opinions and answers regarding the issued reports are evaluated.

Risk Management

Internal Capital Adequacy Assessment Process (İSEDES) Review

Internal Capital Adequacy Assessment Process (İSEDES) included in Basel Capital Consensus Structural Block II is a detailed evaluation process regarding the bank's risks arising from its internal activities. With this process, each bank detects the capital it needs or will need in the future due to its risks and submits the İSEDES reports to the Agency as of the end of the year. In this frame, stress test scenarios were created, and İSEDES 2017 end-of-year İSEDES reports prepared and submitted to the Agency by Turkish banks were reviewed in terms of contents and format by the Risk Management Directorate.

Other Activities

- Comprehensive audit activities were initiated in four large-scale banks in order to ensure the comparability of risk management systems in banks and to evaluate the adequacy of bank risk management systems by considering ICAAP and Internal Liquidity Adequacy Assessment Processes.
- An application review was made for one bank within the scope of calculating the credit risk base amount by way of internal rating approaches.
- Within the scope of the activities of the National Credit Rating Agency, we have participated in the activities of the Steering Committee.
- We have participated in efforts to restructuring of Risk Center under TBB.
- We have participated in the group activities operating under the sub-committees of the Basel Committee on Banking Supervision (BCBS) and contributed to

- the finalization of international financial reforms.
- In-house studies were coordinated regarding the Basel Committee on Banking Supervision and the Financial Stability Board (FSB).
- Requests for opinions and evaluations from G20-related institutions were answered.
- We have participated in the international quantitative impact study (QIS) conducted by BCBS every six months with three bank data.
- The Agency was represented in the Regulatory Consistency Assessment Program (RCAP) for Saudi Arabia.
- Central and Eastern European Banking Audit Group (BSCEE) activities were coordinated.

Information Systems Audit

Procedures and sample letter templates for information systems audit reports performed by independent audit institutions and corporate personnel were updated in 2018 and implementation activities were carried out.

Within the scope of information systems evaluation and implementation activities, administrative fines were imposed on 27 deposit and participation banks, 5 development and investment banks, 3 information exchange institutions, 8 electronic monetary institutions

and 17 payment institutions due to non-compliance with the information systems legislation. The distribution of administrative fines imposed on a total of 328 discrete items is as follows:

- 216 of them to deposit and participation banks,
- 23 of them to development and investment banks,
- 3 of them to information exchange organizations,
- 25 of them to electronic money institutions,
- 61 of them to payment institutions

IT audits of institutions under the responsibility of the Agency were performed by the Agency's staff and independent audit companies. Within the framework of the Information Systems Audit Guide, which was prepared by the personnel of the Agency for auditing IT systems, three special comprehensive audits and the activity permit audit of one organization were performed. Independent auditors started periodic information systems audits in banks as well as payment and electronic money institutions, and the first independent auditing reports for this sector were issued in 2018.

Table 7: Information Systems Audit Report

Scope of Audit	2017	2018
1. Performed by Independent Audit Institutions		
Information Systems	-	29
Information Systems + Banking/Business Processes	50	5
Banking/Business Processes	5	49
Information Systems + Banking Processes (Consolidated-Audit)	26	22
2. Performed by Agency Personnel		
Scheduled Audit	2	-
Special Scope	2	3
Operation License	1	1
TOTAL	86	109

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

OVERSIGHT ACTIVITIES

OVERSIGHT ACTIVITIES

Oversight activities include monitoring the development and compliance of financial and other indicators on banks and the banking industry based on the Agency's database, data provided by other institutions within the frame of bilateral agreements, audit reports and other Agency and non-Agency 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 oversight activities are now organized by Audit IV Directorate as per the Prime Ministry Approval 12551 dated 13/03/2013 to strengthen the oversight function, increase its effectiveness and ensure sustainability, coordination and standardization. With this organizational change, oversight activities performed by various Audit Directorates were collected under Audit IV Directorate and BRSA audit structure was further strengthened and sustainability, coordination and standardization of oversight 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 Chairman Approval:

- Follow up and evaluation of the change in financial structure and performance with periodic reports,
- Follow up of ratings using the previous on-site audit results and current data,
- Ensuring on-time detection of the change in financial structure and performance through early alarm systems,
- Performance of supervision activities on a bank basis,
- Industry and institution-based follow up and analyses of financial institutions,
- Notification of relevant units on non-compliance and reporting errors detected through institution reports,

- 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 supervision activities are being carried out.

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

On the other hand, within the scope of monitoring economic developments as a supportive and complementary element of supervision activities;

- 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 insight based on these,
- Submitting of information and analysis findings to senior management

were performed.

In 2018, 1,044 reports were created on a bank basis including 27 monthly and 173 weekly reports.

As part of sector oversight activities; oversight reports, information notes and presentations are prepared on various subjects including market developments, key indicators, loans, derivatives, stress test, etc. on a daily, 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 880 reports, information notes and presentations were prepared in 2018.

Table 8: Bank Oversight Reports

Bank Oversight Reports	2018
Monthly Report	27
Weekly Report	173
Legal Limits Report	422
Monthly Ratio Report	422
Total	1,044

Table 9: Sector Reports

Sector Reports (*)	
Weekly Presentation	51
Weekly Agency Meeting Presentation	51
Turkish Banking System Main Indicators Presentation	12
Turkish Banking System Key Data Report	12
Credits Report	4
Stress Test Report and Presentation	18
Deposit and Participation Funds Development Monitoring Report	200
Derivative Transactions Progress Follow-up Report	377
KKB Report on Individual Loan Rating Results	1
Non-Bank Financial Institutions Report	1
Other Reports, Presentations and Studies	153
- Public Private Partnership Report	2
- Turkish Banking System Project Loans Report	1
- Group Risks Study	1
- Information Note on Turkish Banking Sector Developments	3
- Report / Presentation on the Effects of the New Provisioning Regulation and TFRS 9	3
- The Study on the Development and Performance of Treasury Guarantee Loans	2
- Study on Issuance of Securities with Subordinated Credit Qualities	4
- Second Group and Restructured Loans Study	1
- Iranian Risks in Turkish Banking System	1
- Credit Cards with Foreign Currency Payment Preferences	1
- Study on Securities Issued by Turkish Banking System	4
- Turkish Banking System Foreign Currency Net General Position Study	1
- Turkish Imports Growth	1
- Turkish Banking System Credit Risk Cost Study	1
- The Place of General / Special Provisions in the National and International Tax Applications	1
- Daily Commercial Loan-Deposit Interest Follow-up Study	53
- Presentations to Foreign Organizations	46
- Other	27
Total	880

(*) The table provides a general idea about the reports. Depending on the circumstances in the period, some reports may be combined or prepared due to specific periods and needs.

The bank-level surveillance reports and sector surveillance reports complete each other and ensure the evaluation of both the potential of the banking system and the identification of risks on a micro and macro level through a proactive approach.

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

➤ Banking Industry Financial Structure and Credit Evaluation

In addition to the routine and periodic supervision works, stress tests and scenario analyzes as well as additional activities were carried out in 2018 within the scope of the New Economy Program (YEP - 2019-2021) to determine the current financial structures and asset quality of the banks. Accordingly, special focus was given on asset quality of banks and comprehensive credit analyzes were conducted for this purpose.

In order to identify the loans with the potential to be problematic in the sector and to reveal the differences in the classification of the loans of the banks, studies were conducted in coordination with the on-site audit units. In addition, a number of impact analyzes were conducted on the assumption that loans that are likely to be problematic on the basis of various criteria would

be subject to classification change and how the bank's financial structures would be affected within the scope of various scenarios, and the capital structure of the banking sector was evaluated according to the findings. As a result, the findings and impact analyzes supported by on-site audit findings were announced to the public in a press release dated 27/12/2018 by the Agency. On the other hand, both routine supervision activities and monitoring and analysis of these determinations will be continued in the ongoing process.

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.

ENFORCEMENT ACTIVITIES

ENFORCEMENT ACTIVITIES

➤ Permission and Authorization Activities

Establishment & Operation Permits and Authorization Procedures

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

In this framework;

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

Furthermore,

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

In 2018, one finance company, 1 factoring company and 6 asset management companies, 7 asset management companies, 5 payment institutions and 1 electronic money institution were granted operating permission; and 5 valuation companies were authorized to make appraisals. 2 companies were allowed to operate as member merchants.

Table 10: Establishment & Operation Permits and Authorization Procedures

Name of Company	Date/Number of Board Resolution	Type of Procedure
Türk Finansman A.Ş.	08.11.2018 / 8080	Institution
Tradewind Faktoring A.Ş.	28.06.2018 / 7865	Institution
Boğaziçi Varlık Yönetim A.Ş.	08.02.2018 / 7715	Institution
Metal Varlık Yönetim A.Ş.	20.04.2018 / 7791	Institution
Gelecek Varlık Yönetimi A.Ş.	26.07.2018 / 7889	Institution
Doğru Varlık Yönetim A.Ş.	15.11.2018 / 8093	Institution
Denge Varlık Yönetim A.Ş.	29.11.2018 / 8111	Institution
Türk Varlık Yönetim A.Ş.	13.12.2018 / 8146	Institution
Merkez Varlık Yönetim A.Ş.	01.02.2018 / 7711	Activity
Birikim Varlık Yönetim A.Ş.	08.03.2018 / 7753	Activity
Arsan Varlık Yönetim A.Ş.	07.06.2018 / 7851	Activity
Armada Varlık Yönetim A.Ş.	05.07.2018 / 7878	Activity
Boğaziçi Varlık Yönetim A.Ş.	09.08.2018 / 7921	Activity
Metal Varlık Yönetim A.Ş.	13.09.2018 / 7966	Activity
Gelecek Varlık Yönetimi A.Ş.	15.11.2018 / 8092	Activity
Türk Elektronik Para A.Ş.	15.02.2018 / 7721	Operating as an institution that has signed a member business contract
Posta ve Telgraf Teşkilatı A.Ş.	12.07.2018 / 7879	Operating as an institution that has signed a member business contract
AGD Anadolu Gayrimenkul Değerleme ve Danışmanlık A.Ş.	24.05.2018 / 7823	Valuation license
Başkent Taşınmaz Değerleme A.Ş.	26.07.2018 / 7890	Valuation license
Lodos Gayrimenkul Değerleme ve Danışmanlık A.Ş.	31.08.2018 / 7939	Valuation license
Ege Taşınmaz Değerleme ve Danışmanlık A.Ş.	16.10.2018 / 8034	Valuation license
Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş.	25.10.2018 / 8063	Valuation License
Global Ödeme Hizmetleri A.Ş.	09.08.2018 / 7922	Activity
Vezne24 Tahsilat Sistemleri ve Ödeme Hizmetleri A.Ş.	13.09.2018 / 7964	Activity
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	04.10.2018 / 8027	Activity
İstanbul Ödeme Kuruluşu A.Ş.	02.08.2018 / 7901	Activity
Pay Fix Ödeme Hizmetleri A.Ş.	06.04.2018 / 7777	Activity
Klon Ödeme Kuruluşu A.Ş.	04.05.2018 / 7808	Activity

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

Table 11: Have canceled of Operation Permissions and Authorizations

Name of Company	Grounds for Cancellation	Date/Number of Board Resolution
Prime Faktoring Hizmetleri A.Ş.	Own request	15.02.2018 / 7718
Enka Finansal Kiralama A.Ş.	Own request	31.05.2018 / 7838
Berg Faktoring A.Ş.	Own request	15.11.2018 / 8091
Final Varlık Yönetim A.Ş.	Merger	31.08.2018 / 7938
Güven Varlık Yönetim A.Ş.	Merger	27.12.2018 / 8179
Güneybatı Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Based on the CMB Decision	08.03.2018 / 7752
Piri Gayrimenkul Değerleme A.Ş.	Own request	25.10.2018 / 8062
Hedef Taşınmaz Değerleme A.Ş.	Based on the CMB Decision	25.10.2018 / 8062
AAA Finansal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Based on the CMB Decision	29.11.2018 / 8110

As of the end of 2018, 11 permit and authorization requests are being evaluated by the Agency.

Table 12: Permissions and Authorization Requests Under Evaluation

Company	Type of Procedure	
Bank	Application for Establishment / Operation License / Request for Authorization	1
Valuation Company	Request for Authorization	1
Payment Institutions & Electronic Money Institutions	Application for Operation License	7
Asset Management Company	Application for Establishment / Operation License	2
Total		11

Permissions for Share Transfer, Merger and Division

In 2018, various permits for share transfer were granted for institutions covered by the Law, through Board decisions detailed below, within the framework the provisions of applicable legislation.

1- Pasha Holding LLC's total share in Pasha Yatırım Bankası A.Ş. (the Bank) increased from 59.9518% to 79.5754% with the decision of the Banking Regulation and Supervision Board dated 04/05/2018 and numbered 7803. The increase in the indirect shareholding of Bless Limited and Reveri Limited in the Bank from 50% each to 29.9759% and 39.7877% respectively, and the share of Ador Limited in the Bank from 29.9759% to 15.2877% in accordance with the first paragraph of Article 18 of the Banking Law No. 5411.

2- Due to the change in the shareholding structure of GroupMed Holding, which owns a 50% stake in Turkland Bank A.Ş. (the Bank) with the Resolution of the Banking Regulation and Supervision Board dated 07/06/2018 and numbered 7850, Ayman Hariri Ala Alkhawaja's share in the bank decreases to 0% from 21.12% and Ala Alkhajawa with 99.99% stake in OLT Holding sal and OLT Holding sal will have a share of 21.12% share in Teaminvest Holding and 12.50% indirect share in the Bank within the scope of Article 18 of the Banking Law No. 5411.

3- With the Resolution of the Banking Regulation and Supervision Board dated 29/03/2018 and numbered 7774, the 1% privileged share of Camış Yatırım Holding A.Ş. in Efes Varlık Yönetim A.Ş. will be transferred to Trakya Yatırım Holding A.Ş. as per Turkish Commercial Code 6102. The provisions of Article 5 and 7 of the Regulation on the Establishment and Operation Principles of Asset Management Companies are reserved.

4- With the Resolution of the Banking Regulation and Supervision Board dated 27/04/2018 and numbered 7799, the share of 42.95% of the 43% share of İnan Altınbaş in the capital of Final Varlık Yönetim A.Ş. belongs to Hüseyin Altınbaş. Transfer of 33,94% of the 33,99% of the shares to Altınhas Holding A.Ş., the current shareholder of the Company, provided that the provisions of the Turkish Commercial Code and other relevant legislation are reserved. It was deemed appropriate within the framework of Articles 5 and 7.

5- With the decision of the Banking Regulation and Supervision Board dated 31/08/2018 and numbered 7938, the merger of the said companies by transferring all rights, receivables, debts and liabilities of Final Varlık Yönetim A.Ş. to Birikim Varlık Yönetim A.Ş. as per Turkish Commercial Code 6102. The provisions of the third paragraph of Article 2 of the Banking Law no. 5411 and the Regulation on the Establishment and Operation Principles of Asset Management Companies are provided to be authorized.

6- With the decision of the Banking Regulation and Supervision Board dated 07/09/2018 and numbered 7946, 55% of the shares of Levent Configuration Management Inc. and approximately 19% of Akbank TAŞ. A.Ş., Oger Telecom Inc., Oger Telecom Limited, Oger Telecom Saudi Arabia Limited, Saad Aden RB Al Hariri, STC Turkey Holding Limited, STC Holding and It was decided to allow the indirect share of the Public Investment Fund to be reduced to 0%

in accordance with Article 25 (1) of Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions.

7- With the decision of the Banking Regulation and Supervision Board dated 07/09/2018 and numbered 7947, as a result of the merger of D Market and D Portal by transferring all assets, liabilities, rights and obligations of D Portal Yatırımları A.Ş. (D Portal) to D Market Elektronik Hizmetler ve Ticaret A.Ş.'nin (D Market), the indirect shares of D Portal decreases from 100% to 0% without prejudice to the provisions of other legislation, it has been decided to allow the portal's indirect share to be reduced to 0% in accordance with Article 25 (1) of Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions.

8- Without prejudice to the provisions of the Turkish Commercial Code and other relevant legislation with the decision of the Banking Regulation and Supervision Board dated 25/10/2018 and numbered 8060; The share of Rosita Levi in Devir Faktoring A.Ş.'s capital from 9,9876% to 10,9876%, from Mey Levi's 9,9823% to 10,9823% and Romi Ruti Levi's% It was decided to allow the increase from 9.9823 to 10.9823% in accordance with Article 11 (1) of the Law on Financial Leasing, Factoring and Financing Companies numbered 6361.

9- With the decision of the Banking Regulation and Supervision Board dated 08/11/2018 and numbered 8079, Geylan Aziz Zapsu acquired approximately 57% of the shares in the capital of BPN Payment Institution, and Omer Rahmi Zapsu's direct and indirect total To to Azizler Holding A.Ş. to acquire 42.10% direct shares and to decrease the direct share of Azizler Danışmanlık A.Ş. from 57.10% to 15%, resulting in a decrease from 57% to 28%, as per Article 25 (1) of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions No. 6493.

10- With the Resolution of the Banking Regulation and Supervision Board dated 13/12/2018 and numbered 8144; The direct share of Fikret Öztürk in Palladium Electronic Money and Payment Services (Company) decreased from 30% to 0% and Ali Şafak Öztürk's direct share in the Company decreased from 20% to 16.68%, Filiz Öztürk has 16.64% and Ufuk Öztürk has 16.68% of the shares, as per Article 25 Paragraph One of the Law and other applicable liabilities reserved.

11- With the Resolution of the Banking Regulation and Supervision Board dated 27/12/2018 and numbered 8179, all the rights, receivables, debts and obligations of Güven Varlık Yönetim A.Ş. , Article 2 of the Banking Law No: 5411 and the Regulation on the Establishment and Operation Principles of Asset Management Companies, without prejudice to the provisions of the Turkish Commercial Code (6102) and other relevant legislation.

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

In 2018, three banks were allowed to obtain subsidiary abroad, three banks were allowed to open branches abroad, and one bank was allowed to establish an affiliate abroad.

Table 13: Acquisition of Joint Ventures / Opening Branches / Offices Abroad

Bank Name	Country-Procedure	Date / Number
T. Vakıflar Bankası T.A.O.	Iraq (Baghdad) - Branch	22.02.2018 - 7733
T.C. Ziraat Bankası A.Ş.	Kosovo (Peja) - Branch	10.05.2018 - 7816
Albaraka Türk Katılım Bankası A.Ş.	Germany - Establishing an Affiliate	05.07.2018 - 7867
T.C. Ziraat Bankası A.Ş.	Iraq - Participation (Iraq Deposit Guarantee Fund)	02.08.2018 - 7902
T. Vakıflar Bankası T.A.O.		
T. İş Bankası A.Ş.		
Ziraat Katılım Bankası A.Ş.	Sudan - Branch	02.11.2018 - 13639

Also in 2018, Emirates NBD Bank PJSC Turkey Representative Office was opened for business.

Table 14: Banks Established Abroad and Permitted to Open Offices

Bank Name	Country of Origin	Date – Number	Date of Activity
Emirates NBD Bank PJSC	United Arab Emirates - Dubai	06.10.2017 - 7548	22.02.2018

On the other hand, in 2018 Banco Popular Espanol SA and Wells Fargo Bank NA Turkey Representative Office has decided to end its activities.

➤ Evaluation and Enforcement Activities

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

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

are evaluated together.

As a result of evaluations;

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

In 2018, 29 criminal complaints were filed for unlawful activities, 4 for embezzlement charges and 4 for protection against reputation within the scope of Banking Law 5411, Law 6361 on Financial Leasing, Factoring and Financing Companies and Law 6493 on the Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions as a result of the on-site auditing and supervision results, and the evaluation of the notices and complaints. Also, 5 temporary abolishment of signatory powers were performed.

In addition, administrative fines were imposed on 467 banks, 99 on payment institutions and electronic money institutions, 19 on valuation companies, nine on factoring companies, 3 on financial leasing companies, 6 on financing companies, 8 on representative offices of foreign banks and 3 on information exchange institutions. 24 orders were issued regarding the works and transactions performed by the banks against the legislation.

Table 15: Distribution of Administrative Fines

Institution	2018	
	Quantity	%Share
Banks	467	75.8
Foreign Bank Offices	8	1.3
Leasing, Factoring & Financing Companies	18	2.9
Independent Auditing Companies	-	-
Valuation Companies	19	3.1
Asset Management Companies	2	0.3
Payment Institutions & Electronic Money Institutions	99	16.1
Other	3	0.5
Total	616	100.0



PROTECTION OF FINANCIAL CONSUMER

PROTECTION OF FINANCIAL CONSUMER

Due to the increase in financial access and the complexity of financial products, it is of great importance for the stability and development of financial markets that financial consumers can consciously use these products and services and protect them against unfair practices. Within this framework, the Department of Financial Consumer Relations, which was established in 2013 to provide permanent solutions to the problems of financial consumers and to protect the beneficiaries of financial products and services, continued its activities in 2018 as well.

Complaints and information requests of financial consumers are evaluated by the Agency through 6 channels including electronic complaint (e-complaint) system, petitions, information system, CIMER, related Ministry and other institutions and call centers. All applications and complaints received by the Agency are first transferred to the Chairman of Financial Consumer Affairs Office and are subject to preliminary consideration by the Preliminary Examining Unit within the Department and are directed to the relevant institutions and organizations and the relevant units of the Agency.

The channel-based distribution of applications submitted to the Agency in 2018 through application channels is given in the table below.

Table 16: Channel-based Distribution of Applications Received by the Agency

Complaint Channels	2017		2018	
	Number	Share %	Number	Share %
Information Acquisition System	3,144	3	2,594	3
Petition	2,920	3	2,866	3
E-Complaint	21,801	23	28,283	28
CIMER	9,695	10	25,750	25
BIMER	26,856	28	10,456	10
Call Center	31,808	33	31,104	31
Total	96,224	100	101,053	100

When the distribution in the table is analyzed, it is seen that 64,847 of the 101,053 applications submitted to the Agency in 2018 were submitted through the information system, petition, e-complaint and call center channels,

It is seen that 64,847 of the 101,053 applications submitted to the Agency in 2018 were submitted through the information system, petition, e-complaint and call center channels, which are the direct channels of the Agency. The number of complaints reaching the electronic complaint (e-complaint) system increased compared to the previous year and in 2018, a total of 28,283 applications were received.

which are the direct channels of the Agency. The number of complaints reaching the e-complaint system, which was developed for the effective evaluation and resolution of consumer complaints, has increased compared to

the previous year and 28.283 applications were received in 2018. As of December 2017, the integration of the e-complaint system into the e-state was also influenced by this increase.

On the other hand, although it is not a direct channel of the Agency in 2017, it is observed that BIMER system is highly preferred in reaching the Agency. However, with the closing of BIMER and incorporating the system to The

Presidential Communication Center in 2018, the number of complaints received through CIMER has increased and the number of complaints/applications has been almost the same as the Agency's e-complaint system.

Subject-based distribution of complaints received by the Agency through CIMER, BIMER, information acquisition system, petition and electronic complaint system in 2018 is given in the table below.

Table 17: Subject-based Distribution of Applications Received by the Agency

Application Subjects	Petition	BIMER as of 15.07.2018	CIMER	BES	E-Complaint	Total Number	Share%
Consumer Credits	375	2,103	5,148	555	5,967	14,148	20.2
Bank & Credit Cards	236	1,417	2,508	301	9,381	13,843	19.8
Deposit/Participation Fund Procedures	708	1,504	3,891	384	4,062	10,549	15.1
Assistance/Credit Requests	70	1,917	5,686	66	912	8,651	12.4
Overdraft Account Procedures	39	60	69	22	4,167	4,357	6.2
Commercial Product / Credit	492	721	1,712	128	198	3,251	4.6
Alternative Distribution Channels	36	275	654	23	2,083	3,071	4.4
Applications that fall within the scope of other institutions/organizations / Applications with incoherent contents	52	648	2,014	91	0	2,805	4.0
Insurance Transactions/ BES	78	326	1,173	61	1,155	2,793	4.0
Non-Banking Institutions	121	415	671	166	112	1,485	2.1
Request of Information & Documents from the Agency	218	126	220	450	0	1,014	1.4
Execution-Related Questions	67	267	608	14	0	956	1.4
Problems with Bank Personnel	58	251	485	10	0	804	1.1
Requests for Advise and Opinion from Agency	16	103	282	159	0	560	0.8
Disclosure of Customer Secrets	12	100	106	3	246	467	0.7
Applications Regarding Banks Transferred to the Fund	191	43	68	108	0	410	0.6
Check-Related Questions	52	86	132	16	0	286	0.4
Investment Products and Services	17	50	180	20	0	267	0.4
Working Conditions/Mobbing in Bank	21	25	68	3	0	117	0.2
Requests for Employment in Agency/ Bank	7	19	75	14	0	115	0.2
Total	2,866	10,456	25,750	2,594	28,283	69,949	100.0

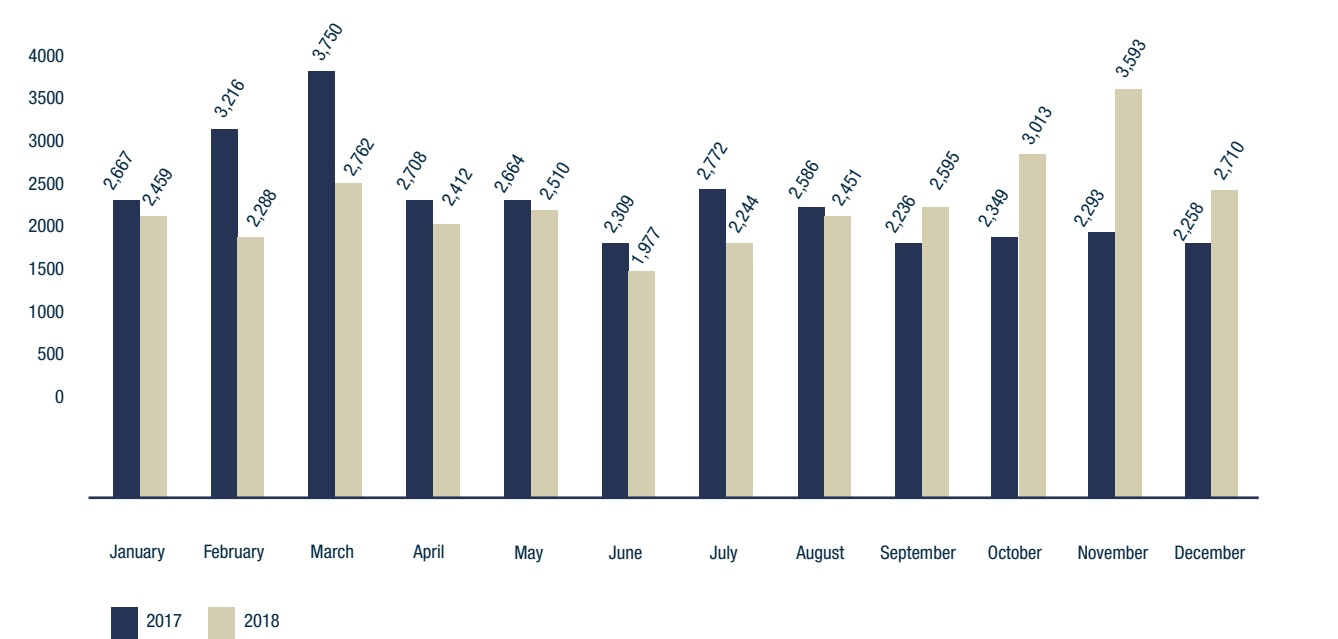
Looking at the table, 20.2% of 69.949 applications are individual loans, 19.8% are bank and credit cards, 15.1% are deposit and participation fund transactions, 12.4% are help and loan demands, 6.2% were related to overdraft accounts, 4.6% were related to commercial products, 4.4% were related to alternative distribution channels, 4% were related to Insurance / PPS, 2.1% were related to non-bank institutions. Complaints related to the individual loans, which are in the first place, are mainly due to interest (4%), credit rating, registry amnesty and black list problems (4.8%) and early repayment and restructuring (3%). Another important issue after the loans is the credit cards including credit card fees, costs, commissions and objections to expenditures, losses and fraud with a total share of 6.7% and 2.6% respectively.

Monthly distribution of applications received by the Agency through the call center channel in 2017 and 2018 is given in the table above.

The number of calls reaching the call center of the Agency increased in January-February-March 2017 and it was evaluated that credit restructuring, retirement promotions and registry amnesty issues were effective in this increase. In 2018, the framework agreement, anti-inflation program and reduction of installments of general purpose loans to 36 months led to an increase in the number of calls as of September-October-November.

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

Table 18: Monthly Distribution of Complaints Made to Agency's Call Center



On the other hand, 31,808 calls were received in 2017 and 31,104 were received in 2018 through the call center channel, which was established in the last quarter of 2014 to provide easier and faster delivery of applications and complaints of financial consumers to the Agency.

Consumer Relations. Within the scope of the audit activities, 260 reports and 9 comments were prepared in 2018 and 118 Board decisions were taken as a result of the audits. Administrative sanctions were imposed on the banks with 111 of these Board Decisions, as well as 3 Judicial and 4 regulatory Board Decisions were made.

With these Board decisions, 135 administrative fines were imposed, 3 criminal charges filed, 3 signatory powers were abolished and a total of TL 3.129.433 administrative fine was applied to the banks.

In addition to conducting the complaint and application follow-up process, the Agency also carries out its activities in order to guarantee the rights of the financial consumers in the scope of its regulation and supervision activities. In 2018, required participation and contributions were made to the Customer Complaints Arbitration Committees established to ensure the settlement and resolution of disputes between TBB and TKBB member banks and their individual customers pursuant to paragraph (j) of Article 80 of the Banking Law No. 5411 and then integrated into the e-state.

Due to the fact that the complaints that were brought to Consumer Complaint Arbitration Committees and the Agency were concentrated on fraud, measures were taken by the Agency. In this context, it was decided by the banks to take the card holder's request to make the card open to use in electronic commerce due to the internet transactions made using card information seized by the scammers without the knowledge and request of the cardholders. and the newly allocated cards applicable as of 31/01/2018. Whether the banks carry out this application in accordance with the legislation and in an effective manner are addressed to the complaints and applications received by the Agency as well as the issues that are on the agenda of the Customer Complaints Arbitration Committee.

In accordance with the authorization granted to the Agency under Article 4 (3) of the Law No. 6502 on the Protection of Consumers, the fees that can be received from individual customers classified in accordance with the Regulation on the Procedures and Principles Regarding the Fees that was enacted on 03/10/2014, the announcement format, which was developed to be presented to financial consumers, was finalized by the Agency. In the following process, it is planned to carry out systematic infrastructure works and to present them to financial consumers in cooperation with UMT in order to publish the announcement format.

As of 16/07/2018, the Gold Transfer System, which will enable the transfer of gold-denominated assets in the account of the financial consumer has begun to serve the system member banks and customers through Istanbul Takas ve Saklama Bankası A.Ş. (Takasbank). Inventory gold transfer system enables financial consumers to transfer the value of the gold accounts in gold without suffering from the difference between the purchase and sale prices. Considering that the system will have costs for the banks such as "Participation Fee", "Custody Commission" and "Transfer Transaction Commission" in exchange of facilitation by system to financial consumers, article 12 of the said Regulation was amended and a paragraph was added to stipulate that gold transfers to be made by financial consumers will be charged so that it does not exceed fifteen percent of the transfer transaction cost in order to cover transfer transaction cost that take into account "Transfer Transaction Commission" and other costs (Participation Fee, Custody Commission).

Furthermore, for persons that wish to obtain Turkish citizenship by keeping a deposit of USD 500,000 or equivalent currency or Turkish Lira for three years in the banks that operate in Turkey, the Agency was granted the authority to determine whether or not the mentioned amounts have been deposited in the banks pursuant to Article 20.2.ç of the Regulation on Exercising the Turkish Citizenship Law, and necessary correspondences were made with the Directorate General of Population and Citizenship Affairs and Directorate General of Migration Management for processing of 302 persons that applied to Turkish Citizenship in 2018. The sample declaration that must be signed by the applicants to acquire Turkish citizenship is available in Turkish, English and Arabic under the heading "Foreign Citizenship Applications" in the "Contact" section of the Agency's website. Finally, the Frequently Asked Questions section, which is prepared on the Agency's website to provide financial consumers with information on various issues, provides updated information on the issues and practices regarding Foreign Citizenship Applications.

INFORMATION MANAGEMENT SYSTEMS

INFORMATION MANAGEMENT SYSTEMS

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

» Data and System Management

Renewal of Agency's Website

In order to ensure that its design and infrastructure are compatible with the developing technology, the Agency's website was renewed and launched in 2018. The opinions of other units were taken for the content management system for the website, and infrastructure, architecture and frontend designs were made through requirement analysis. The Agency's website continues to be developed in line with corporate needs.

Renewal of Agency's Intranet

It was decided to carry out the work initiated with the aim of renewing the intranet of the Agency entirely through internal resources. The new site was designed for easy access and personalization by the Agency personnel with particular focus on all corporate applications and applications related to their department by taking into account the application ownership of the departments. In addition, an evaluation application was planned to be presented to the employees of the Agency and a pre-development analysis was initiated in this direction.

E-Complaint Application

E-Complaint application was updated in line with the requests by customers, banks and internal users, processes were accelerated and various reporting options were provided.

Support 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 2018. Errors in the application were corrected and the required improvements were made in the program.

Organization Applications

In order to provide users with comprehensive data obtained from institutions under supervision of the Agency, we developed applications that view data that is contained in the Agency databases. The aim of these applications is to enable users utilize the data in a more effective manner.

Reporting Sets Applications

Reporting Sets Form Template Application, which shows the explanation and template files of the forms sent by the institutions under the supervision of the Agency, has been developed.

In order to provide users with comprehensive data obtained from institutions under supervision of the Agency, we developed applications that view data that is contained in the Agency databases. The aim of these applications is to enable users utilize the data in a more effective manner.

Sustainability Survey Project

A survey project has been implemented in order to determine the policy-strategy, implementation and expectations for environmental and social sustainability in the Turkish banking sector. The project was opened from a certified structure accessible only to banks.

Bulletins (Banking Sector Data)

Banking sector data applications (daily bulletin, weekly bulletin, monthly bulletin, BDMK bulletin, credit card information application, Fintürk-based on cities) were renewed to be compatible with the new corporate website. The opinions of all units have also been taken for the content management system for developing new banking sector data applications and the needs analysis has been continued to be developed.

Rapid Information Transfer System (HBAS)

The HBAS project was designed and started to provide faster information and document sharing with the organizations under supervision of the Agency. Infrastructure works continue for the system that hosts two applications, namely Management and Organization.

Form Information Application

We have worked on the application that was developed in order to ensure the sorting of forms provided within the scope of Banking Data Transfer System (BVTS) per type of institution, frequency of submission, content and other dimensions and to present the information obtained from this study to the Agency personnel through an application. The application created in line with the opinions of other units and the necessary updates was made available for use.

Basic Indicator Changes Application

The Bank has started to work on the Basic Indicator Changes Application, which is intended to be realized in order to present the basic indicative data of the forms received from banks to the general public. In this context,

it is aimed that the implementation of the periodical data on a bank and sector basis will be monitored and made available in the first half of 2019.

BRSA Reporting System (BRS) Technical Support

Both technical support and business-related issues are monitored for the problems that come to the BRS support e-mail address or that companies are communicating directly by telephone.

During this period, approximately 14,156 e-mail notifications have been received regarding the problems faced by organizations reporting via BVTS and solutions for these e-mails have been delivered to the parties through the e-mail channel.

Activities for Mutual Information Sharing with Other Institutions and Organizations

In 2018, 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.

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

We continue to regularly exchange information with Turkish Central Bank, Turkish Ministry of Treasury and Finance and MASAK in accordance with the existing protocols in order to ensure inter-agency coordination and cooperation with regards to implementation of monetary, credit and banking policies.

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In 2018, a data sharing protocol was signed with the Central Registry Agency (CRA). Within the scope of the Protocol, the Central Registry Agency obtains information from the stock exchange on investors that hold shares of banks and non-bank financial institutions.

A web service contract was signed with TUIK for accessing Central Distribution System (MEDAS) that contains public statistics communicated by Turkey Statistical Institute (TSI) by means of web service.

We carried out efforts on signing a protocol with the Ministry of Commerce, TUIK and Revenue Administration in order to strengthen the cooperation on data sharing, the need to identify the mutual information in the statistical production process to ensure the more efficient use of administrative records and data transfer in a secure environment in order to ensure the transfer of data.

In accordance with the provisions contained in the various articles of the Banking Law, the Agency has 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.

In addition, software development works have been started for receiving data from TUIK via web service.

Improving Data Sharing

Work has started on the renewal of data sharing practices that provide data from other organizations.

Control Application for Testing Information Consistency in Reported Forms

Efforts to renew the existing application for testing the information consistency of the forms in accordance with

the new technology have started. The design of the controls has been completed and the testing phase has started. Application development process is ongoing.

Sharing Client Project

The web service for the data received by other organizations from the Agency was renewed and will be used for KamuNet network. Upon completion of the Certificate Project, it will be possible to test and commission the project.

Technical Support Applications

Technical support applications have been developed in order to monitor the technical demands of public personnel and business units and to transfer the IT processes to the computer environment.

Business Intelligence Application

In order to present the data to the Agency personnel within the scope of data security and usability, business intelligence application studies have started. Workshops on security and data visualization are ongoing.

Electronic Document Management System (eBYS)

System improvement/development activities based on requests by the Agency personnel continued in 2018.

Within scope of data acquisition process; banks, leasing, factoring, finance, asset management companies, electronic money and payment institutions and Turkish representations of foreign banks submitted 198 types of forms on a daily, weekly, monthly, quarterly, semi-annually and annually basis. 135 of these forms are required directly in accordance with direct legislation and 63 of them are for auditing and supervision purposes.

In order to evaluate the asset quality of banks, the Group monitors the assets in accordance with the provisions of the Regulation on Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved and reporting started to ensure the monitoring of expected loan loss provisions allocated for them in accordance with TFRS 9 Financial Instruments (TFRS 9) standard.

Non-Bank Financial Institutions Form Package has been updated for those who have started to apply TFRS 9 standard in financial leasing, factoring and financing companies during the year and periodical reporting has been started to be taken in electronic environment.

In order to increase the data quality, we conducted studies on the improvement of metadata of forms/data received via Banking Data Transfer System (BVTs). In order to ensure the international comparability of economic activities, the activities of the BRSA Reporting System (BRS) have been carried out in order to improve and standardize the activity information in the forms taken under the supervision of the institutions within the scope of the Agency's authority; studies were conducted with relevant institutions and organizations and guidelines were prepared based on international comparable classification systems established for this purpose. We also participated in the working group formed with the participation of the representatives of the relevant Institutions in order to establish the data definition union in the field of public sector.

In accordance with the relevant legislation updates, the entire reporting set was reviewed and reporting of 13 surveillance forms was terminated, 24 new surveillance forms were created and 54 template forms and explanations 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 pass the checks are carried out under acknowledgement of the Agency in order to improve data quality. The application channel created for this purpose is used for updating information by the parties concerned.

Ratio application was revised and updated after both the transition to TFRS 9 standard and the updates in the form package.

The organizations that started their operations in 2018 were registered in BVTs and made to send periodic

reports to the Agency.

With the purpose of informing the public, key balance sheet items in banking industry are presented on a daily basis; credit deposits and non-balance sheet liabilities are presented on a weekly basis; and key financial statements, credit portfolio, deposit distribution and types, non-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. Access to the English versions of daily, weekly, monthly information and the quarterly "Basic Banking Indicators", financial leasing, factoring and financing companies' basic financial statements and receivables are also available. In 2018, the English version of Fintürk-Selected Banking Sector Data by Cities was created. A total of 327 periodicals were presented to the public during the year.

To facilitate the use and interpretation of data published by the Agency; metadata documents have been published which conceptually describe the data, show the source and structural characteristics of the data, and provide explanations on the generation and publication of the data and its legal dimension.

Daily Bulletin Application was developed to increase the ease of use of daily banking sector data and to improve data quality by strengthening the data creation infrastructure.

In order to better meet user needs and provide ease of use, the design of the Weekly Bulletin Application, which provides weekly banking sector data, has been updated and the variety of data has been increased.

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

Within the scope of the Quality Logo evaluation initiated by TUIK in order to ensure that the statistics under the Official Statistics Program (RIP) are produced in accordance with the quality principles, to raise awareness on national quality principles and indicators and to identify areas for improvement in statistics

- Monthly Banking Sector Data
- Weekly Banking Sector Data
- Selected Banking Sector Data Based on Cities
- Factoring Sector Data
- Financial Leasing Sector Data
- Financing Companies Data

and the process for obtaining the Quality Logo was initiated.

Metadata prepared by the Agency within the Official Statistics Program, which is one of the indicators determined within the scope of the Sustainable Development Indicator System adopted at the United Nations General Assembly, was produced and shared with TUIK.

The Revision Policy Regarding the BRSA Statistical Bulletins was issued by the Agency as a policy document that outlines the general framework for revision in periodical publications using the tables received from banks and other institutions through the BRSA Data

The Revision Policy Regarding the BRSA Statistical Bulletins was issued by the Agency as a policy document that outlines the general framework for revision in periodical publications using the tables received from banks and other institutions through the BRSA Data Transfer System (BVTs). Within the framework of the determined policy, a timetable showing the revision dates has been published for the public.

Transfer System (BVTs). Within the framework of the determined policy, a timetable showing the revision dates has been published for the public.

“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 2019 data.

Inter-Agency Information Sharing Activities

Studies were conducted to prevent duplications in the reports made by the banks to the Turkish Central Bank and the Agency and remedial measures were taken to reduce the reports.

In the reporting of derivative transaction data, the Bank actively took part in the “e-VEDO: Electronic Data Warehouse Project” working group, which was carried out by MKK to create an infrastructure in compliance with the European Securities and Markets Authority (ESMA) standards, and provided technical support and consultancy to the project.

ISO 27001 Standard Information Security Management System (BGYS) Installation

Within the scope of the National Cyber Security Strategy and Action Plan prepared by the Ministry of Transport, Maritime and Communications; documentation and preparation processes of BGYS Installation works have been completed in accordance with TS ISO / IEC 27001:2013 standard in order to ensure information security in the IT processes of the Agency and the personnel have been given awareness training, and certification phase has been started.

Coordination with the National Center for Intervention in Cyber Events

Within the scope of the security measures to be taken against zero day attacks, the attack signatures announced by the National Cyber Incident Response Center (USOM) were identified on the security devices and effective protection was provided.

KamuNet Project

In 2017, the integration process with other public institutions was started in 2018 through the KamuNet network included in the Prime Ministry Circular.

Security Tests

Within the scope of Measures to be Taken by the Agencies prepared by the Ministry of Transport, Maritime and Communications; security screening tests were conducted in the Agency's information systems and security elements in the system were checked and necessary improvements were made.

In 2018, 14 administrative fines were imposed on banks by the Data and System Management Department.



RELATIONS WITH OTHER INSTITUTIONS AND THE PUBLIC

RELATIONS WITH OTHER INSTITUTIONS AND THE PUBLIC

Domestic Institutions

Public Institutions and Organizations

Based on Article 98 of Banking Law, views were exchanged and information was shared in 2018 with the Strategy and Budget Department of the Presidency, Ministry of Treasury and Finance, CMB, TMSF and Central Bank in order to ensure coordination and cooperation among agencies in executing monetary, credit and banking policies. In addition to these agencies, other public institutions and organizations such as the Ministry of Foreign Affairs and the Ministry of Commerce, exchanged views on the issues concerning the banking sector.

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

Pursuant to the applicable Law, it is envisaged that FSK that consists of representatives from the Ministry of Treasury and Finance, Revenue Agency, Presidential Strategy and Budget Department, TCMB, SPK, TMSF, Competition Board, Borsa Istanbul and other relevant institutions will convene at least once in every six months and present the meeting results to the President of Republic. The Regulation on the Procedure and Principles of the Operations of the FSK requires that the Commission meetings will be held in May and November. In this context, the regular meetings of the FSK on 10/05/2018 and 20/11/2018 were held on the agenda of Evaluation of Developments in the Financial Sector, and the results of both meetings were submitted to the Presidency within the framework of the Regulation on the Working Procedures and Principles of FSK.

Coordination Committee: The Coordination Committee consisting of the Agency Chairman and Second Chairman and SDIF Chairman and Second Chairmen pursuant to Article 100 of the Banking Law, is in charge of ensuring that maximum cooperation is established between the Agency and the Fund when it is necessary to carry out transactions in the competency of the Fund,

with respect to the exchange of information regarding the general status of the banking sector, measures to be taken as a result of the supervision of deposit banks, results of analyses indicating the financial standing of credit institutions to be used in calculating the risk-based insurance premiums, the number of deposit and participation fund accounts, total amount of the insured deposits and participation funds and the total amount of deposits and participation funds in these institutions. At the quarterly meetings of the Committee in 2018, evaluations and information exchange were made on the general outlook of the banking industry, measures to be taken as a result of credit institution audits, calculation of risk-based insurance premiums and situations which require procedures by TMSF.

Criminal and Administrative Judiciaries

Recording the case files related to any disputes, to which the Agency is a party in judicial and administrative authorities and enforcement offices, in the digital environment from the beginning to the conclusion, storing the data regularly and accurately, displaying the workload of the Legal Affairs Department by receiving reports on the said data and In particular, the Legal Affairs Tracking System (HTS) has been used as of 01/05/2016 in order to enable the personnel of the Department to continue their working time effectively and efficiently. A number of additional improvements and changes have been made in the HTS program to ensure compliance with changing needs and conditions. Lawsuits filed or to be filed on behalf of the Agency within the scope of the studies carried out by the Ministry of Justice Department of Data Processing and the Department of Data and System Management in order to ensure the data exchange by ensuring the integration of HTS, which is filed or to be filed on behalf of the Institution, and the enforcement proceedings, into the UYAP system. and the integration of the HTS program into the UYAP system and the exchange of data with the purpose of ensuring the exchange of corporate Web Service subscription.

Within the framework of “Istanbul International Finance Center Action Plan” issued in line with the Government’s Tenth Development Plan (2014-2018), we have prepared a two-volume regulation set that includes “Regulation on Banking Law” covering the Banking Law and relevant regulations in accordance with the purposes of “strengthening corporate structure”, “improving the effectiveness of regulation, auditing and implementation activities”, “carrying out activities towards continuance of stability and trust in financial markets” and “improving practices for financial product and service consumers”; and “Regulation on Non-Banking Institutions” that covers Debit Cards and Credit Cards Law, Leasing, Factoring and Financing Companies Law, Payment and Surety Reconciliation Systems, Payment Services and Electronic Money Organizations Law, their sub-regulations and Principles and Procedures Regarding the Charges Applicable to Financial Consumers; and this regulation set was communicated to Agency units, concerning chief prosecutors, courts and certain public entities and institutions.

Within the scope of the regulation that stipulates that “Legal Affairs Department will be asked to follow-up and collect the uncollected participation shares pursuant to Law 6183 on Collection Procedures of Public Receivables dated 21/7/1953” as defined in sub-paragraph (çç) of paragraph 3 of article 26 of the Banking Regulation and Supervision Agency Organization Regulation as promulgated on the Official Gazette 28493 dated

16/03/2014; the Legal Affairs Department was tasked to collect Agency’s receivables pursuant to the provisions of Law 6183 on Collection Procedures of Public Receivables, and the said department carries out all action regarding the collection of Agency’s receivables.

In 2018, the Legal Affairs Department continued to provide legal representation of and providing opinions to the Agency for the purpose of monitoring, defending and resolving any actions or disputes related to the Agency in all judicial and administrative authorities and enforcement offices and the said actions are presented in the table with classification according to the nature of the cases.

88.3% of the cases to which the Agency is a party are administrative cases. The scope of the said administrative actions include retrial actions by small shareholders of Demirbank T.A.Ş., administrative actions against Asya Katılım Bankası A.Ş., and nullity cases and full remedy actions against various administrative actions of the Board and Agency pursuant to banking regulations and general legislation.

On the other hand, criminal lawsuits filed by the Agency as well as some civil lawsuits are followed.

While legal processes regarding the applications to European Court of Human Rights against our state with regards to banks whose management, supervision and shareholding rights (excluding dividends) were transferred to Saving Deposits Insurance Fund have been followed up by the Justice Ministry, and coordination of information,

Table 19: Lawsuits Involving the Agency

Type of Lawsuit	2017		2018	
	Number	Share %	Number	Share %
Administrative Lawsuits	1136	61.7	1846	88.3
Penal Lawsuits	234	12.7	140	6.7
Legal Lawsuits	473	25.6	104	5.0
Total	1843	100.0	2090	100.0

* Although the table does not include, the Agency has;

- 1 -Approximately 23,900 administrative actions related to T. İmar Bankası T.A.Ş.,
- 2 -Approximately 1272 administrative actions related to Demirbank T.A.Ş.

documents and opinions requested from the Agency by the Ministry of Justice is being carried out by the Legal Affairs Department.

In addition, the Legal Affairs Department makes the written application to the Chief Public Prosecutor's Office regarding the issues that are submitted to the agenda of the Board by the Implementation Departments of the Agency and which are decided by the Board to make a written application against them. Within this framework, a total of 24 written applications were made in 2018.

Furthermore, following the Decree of the Board of Ministers numbered 2016/9064 on the announcement of the State of Emergency published in the Official Gazette dated 21/07/2016 and numbered 29777, the Office of Legal Affairs responds to the statements coming from the relevant Chief Public Prosecutors' Offices and other public institutions and organizations. However, during the same period, 1.286 internal and 1.186 external correspondences were made, including correspondence from various courts, public prosecutors' offices or public institutions and organizations.

In 2018, 85 opinions were given by the Legal Affairs Department within the scope of the duty to express opinions on the legal issues mentioned in Article 20 (d) of the Banking Regulation and Supervision Agency Organization Regulation. These opinions are on various subjects including the implementation of the banking regulation, regulation drafts, international agreements signed by and between the Agency and oversight and audit authorities of other countries and personnel implementations.

➤ International Organizations

Foreign Authorities

The Turkish banking sector is closely integrated with international financial markets. In this context, supervision of the overseas activities of our banks are closely related to the stability and reliability of the financial systems of both our country and the host country.

In order to increase its competitiveness and market share, Turkish banks operate in international markets through their overseas branches, representative offices and financial subsidiaries. On the other hand, in addition to the globalized world economies and increasing competition conditions, the attractiveness of the Turkish financial markets for the investor is influential in the participation of many foreign banks through participation, branch and representative offices in our country.

To have access to the necessary information to evaluate the activities of banks abroad and their connections with the parent company through their foreign subsidiaries, branches and representative offices; in order to facilitate cooperation with foreign countries in order to carry out effective regulation and supervision activities related to these activities, the establishment of an international legal framework continued by the Agency.

As stipulated in Article 98 of the Banking Law, the Agency cooperates and exchanges information with these institutions for the harmonization of policies and regulations within the framework of bilateral memorandum of understanding.

Memorandums of understanding are signed to increase collaboration between the supervision and regulating authorities to ensure financial stability and sustainable growth. In relation to the memorandums signed by and between the Agency and foreign equivalent supervision authorities, the parties attach significant importance to collaboration to support the legal, regulating and corporate framework to maintain financial stability, work in cooperation to define and deploy best practices to improve the finance industry, organize education programs and share information.

As a result of the meetings held, the Memorandum of Understanding was signed on 28/12/2018 with the Financial Market Supervisory Authority of the Republic of Azerbaijan. As of the end of 2018, the Memorandum of Understanding was signed with 38 authorities from 35 countries and the information regarding the existing Memorandum of Understanding is given in the table below. In addition, efforts to sign a Memorandum of Understanding with the banking supervisors in Uzbekistan, Belarus and Sudan are at the final stage.

Table 20: Memorandum of Understanding Signed by 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 Financial Markets Supervisory Authority of the Republic of Azerbaijan	14.06.2005 28.12.2018
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

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

International Monetary Fund (IMF) and World Bank (WB)

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

In addition, the relations between the Agency and the World Bank in the framework of the Bilateral Technical Cooperation Agreement signed in 2013 continue positively. The Department contributed to the meetings and joint activities carried out under the coordination of the said institution and the Ministry of Treasury and Finance.

Organization for Economic Cooperation and Development (OECD)

Within the framework of studies carried out within the OECD, the Agency participated in the meetings of which it has an interest and the opinion on the issues of the reports prepared by the OECD within the scope of the Agency's areas of responsibility was presented.

Multilateral Trade System - World Trade Organization (WTO)

The fact that WTO regulations, which provide a legal framework on how governments will make domestic trade laws and regulations, and where trade relations between countries are developed through collective negotiations, cannot meet the needs of today, and that multilateral trade order is inadequate for new market openings, governments started to pursue making mutual and regional trade agreements. Recently, Free Trade Agreements (FTAs) have become widespread in trade and economic relations between countries.

Turkey continues to sign similar agreements based on mutual benefits with countries that signed STA with EU both within the framework of the Customs Union and the trend to create STA networks in international trade. Within this scope, the Bank contributed to the studies and meetings of the FTAs planned to be signed with Japan, Montenegro, Moldova and Serbia, the negotiations of which were carried out under the coordination of the Ministry of Commerce, and the evaluations regarding the commitments of the banking sector of these countries were conveyed. Assistance was provided to WTO on reports to the extent they are relevant with the areas of operation of the Agency.

European Union (EU)

The Agency continued its efforts on issues under its responsibility on meeting the obligations listed under the title of Ability to Assume the Obligations of Membership of National Programme of Turkey for the Adoption of the EU Acquis as promulgated on Official Gazette 27097 dated 31/12/2008, and presented information regarding these efforts to the European Union Department of the Ministry of Foreign Affairs. In order to contribute to the Progress Report prepared by the EU Commission, the Agency contributed to the studies carried out by the said institution regarding the developments in the chapters within the scope of the Agency's field and banking sector related issues.

Islamic Financial Services Board (IFSB)

IFSB is an international organization that follows international regulations for investors who prefer Islamic financial products and financial services, prepares standards and guidelines for regulatory agencies and sector participants, and organizes informative meetings on current developments and new practices. As a full member of IFSB, the Agency contributed to IFSB activities and participated in the meetings held.

Black Sea Economic Cooperation (KEI)

The BSEC organization established in 1992 with the aim of diversifying and further developing bilateral and multilateral economic, technological and social relations between the Member States by taking advantage of their

potential, geographical proximity and complementary features of their economies, thus making the Black Sea basin a region of peace, stability and prosperity. Group meetings and member countries were informed about the developments in the Turkish banking sector.

In addition to the listed activities, the Agency also participated in studies carried out between Technical Committees that consist of relevant ministries and agencies of both countries on the basis of "Economic and Financial Cooperation Protocol Northern Cyprus and Turkish Republic" that formed the basis and provides participation of representatives from the two countries' relevant ministries and institutions Technical Committee include participated in the Agency to studies.

In addition, various meetings were held with international institutions and foreign bank representatives in 2018, participants were informed about the general banking sector and economic outlook, and promotional presentations were made at various universities and public institutions 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 industry, industrial developments and agreements signed with national and

international developments and handles the information requests which are received.

In this sense, communication activities continued in 2018 to inform the public and the industry. Information on the industry were shared with the public through press releases and presentations. In 2018, a total of 12 press releases were made to inform the public.

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

A daily News Bulletin compiled from national and international newspapers, magazines and finance bulletins and including news, comments and opinions on the banking industry and financial markets is issued and submitted for the use of the personnel via intranet and also to the Ministry of Treasury and Finance.

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

Table 21: Distribution of Press Releases by Subject

Subject	2017		2018	
	Number	Share %	Number	Share %
Basel II - III	-	-	2	16.7
Applications for Banks	5	50.0	2	16.7
Publications	-	-	1	8.3
Corporate Activities	2	20.0	5	41.6
Other	3	30.0	2	16.7
Total	10	100.0	12	100.0

AGENCY RESOURCES

AGENCY RESOURCES

➤ Human Resources

Pursuant to Article 92 of the Banking Law; continuous duties and services required by the duties assigned to the Agency are carried out by banks' sworn auditors and their assistants, banking experts and assistants, legal experts and assistants, IT experts and assistants, BRSA experts and assistants as well as occupational personnel, administrative personnel and permanent workers. Second chairmen, directorate heads, managers, chairman consultants, career professionals, agency experts and lawyers are contracted employees. Contracted personnel are subject to Government Officers Law 657 regarding their rights and liabilities other than wages, financial and social benefits.

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

Human Resources Profile

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

Table 22: Distribution of the Agency's Personnel

Group	2017	Share%	2018	Share%
Manager	20	5.0	24	4.5
Consultant	10	2.5	11	2.0
Professional	286	71.1	302	56.0
Administrative Personnel	86	21.4	85	15.8
Permanent Worker	-	-	117	21.7
Total	402	100.0	539	100.0

As of the end of 2018, the Agency has 539 personnel members including managers, consultants, professional personnel, administrative personnel and regular workers. 56% of the personnel are occupational personnel.

When the distribution of occupational personnel according to seniority is considered as of the end of 2018; it is seen that 41% of the personnel have seniority between 10 and 19 years, followed by the personnel group in the seniority tranche between 4 and 9 years with a share of 22%.

Table 23: Distribution of Career Personnel by Seniority

Title Group	2017	Share%	2018	Share%
Sworn Bank Auditors	83	100.0	90	100.0
Over 20 years	10	12.1	11	12.3
10-19 years	35	42.1	29	32.2
4-9 years	22	26.5	21	23.3
1-3 years	16	19.3	29	32.2
Banking Experts	196	100.0	199	100.0
Over 20 years	31	15.8	22	11.1
10-19 years	95	48.4	90	45.2
4-9 years	47	24.0	43	21.6
1-3 years	23	11.8	44	22.1
BRSA Experts	7	100.0	7	100.0
4-9 years	2	28.5	2	28.5
1-3 years	5	71.5	5	71.5
Sum of Professionals	286	100.0	296	100.0
Over 20 years	41	14.3	33	11.1
10-19 years	130	45.5	119	40.2
4-9 years	71	24.8	66	22.3
1-3 years	44	15.4	78	26.4

When we take a look at the age distribution of personnel, we see that as of the end of 2018, 69% of the personnel are 40 years old or younger and the largest age group is 31-40 with a share of 40%.

Table 24: Age Distribution of Personnel

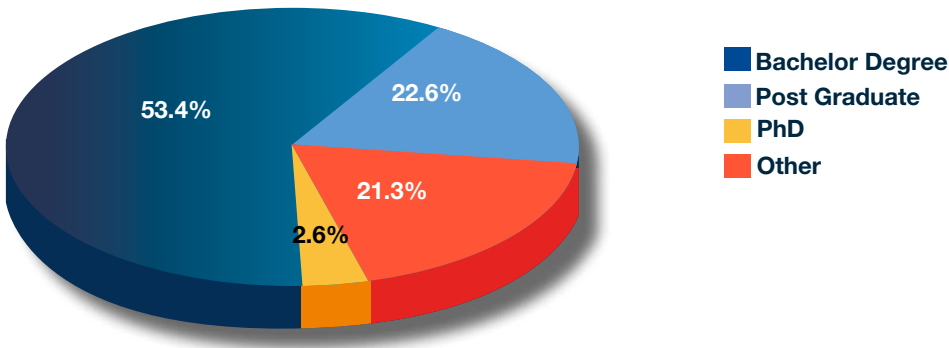
Age Group	2017		2018	
	Quantity	%Share	Quantity	%Share
Up to 30 years	96	23.9	155	28.8
31 to 40 Years	164	40.8	216	40.1
41 to 50 Years	100	24.9	122	22.6
51 and over	42	10.4	46	8.5
Total	402	100.0	539	100.0

As of the end of 2018, 79% of 539 Agency personnel members have a license degree or above, and 26% have a post-graduate degree.

Table 25: Number of Personnel by Level of Education

Group	PhD		Post Graduate		Bachelor Degree		Other	
	2017	2018	2017	2018	2017	2018	2017	2018
Manager	2	3	12	14	6	8	-	-
Consultant	2	2	4	4	4	5	-	-
Professional	10	10	102	96	174	196	-	-
Administrative personnel	0	-	9	8	55	53	22	24
Permanent Worker	-	-	-	-	-	26	-	91
Total	14	15	127	122	239	288	22	115
Share %	4	3	31	23	60	53	5	21

Distribution of Personnel by Level of Education

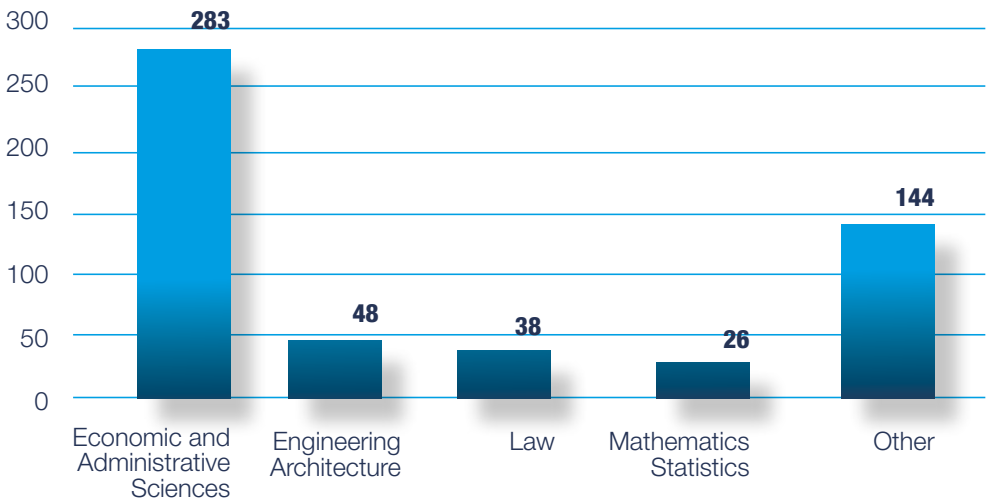


It is seen that 52.5% of the personnel are educated in economic and administrative sciences, 8.9% in engineering-architecture, 7.1% in law and 4.8% in mathematics-statistics.

Table 26: Distribution of Personnel by Field of Degree

Field of Degree	2017		2018	
	Number of Staff	Share %	Number of Staff	Share %
Economics and Administrative Sciences	259	64.4	283	52.5
Engineering-Architecture	44	10.9	48	8.9
Law	35	8.7	38	7.1
Mathematics-Statistics	28	7.0	26	4.8
Other	36	9.0	144	26.7
Total	402	100.0	539	100.0

Distribution of Personnel by Field of Degree



Improvement of Human Resources

In-service training, domestic and overseas courses, seminars and post-graduate education opportunities are provided for personnel 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 2018, the number of attendees increased by 25.8% and the number of training days increased by 8.8%. In this period, a total of 2411 days of training were provided by 1198 participants in Turkey and abroad, and the number of training days per participant was 2.0 days.

Table 27: Local and International Training Activities

Number	2017	2018	Change Compared to Previous Year (%)	
			2017	2018
Number of Attendees	952	1,198	96.2	25.82
Number of Days	2,216	2,411	60.3	8.79
Number of Days per Attendee	2.3	2.0	-17.8	-12.60

When we take a look at training activities on a subject basis, we see that general banking, IT and personal development trainings were the top three based on the days of training.

The number of attendees and days of training were 186 attendees and 581 days in general banking, 183 attendees and 433 days in IT, and 183 attendees and 241 days in personal development.

Table 28: Training Activities by Subject

Subjects	Number of Attendees		Number of Days	
	2017	2018	2017	2018
General Banking	137	186	242	581
IT	183	183	475	433
Personal Development	42	183	74	241
Finance	161	137	351	247
Accounting	14	108	35	237
Economics	78	60	105	68
Law	19	68	33	174
Risk	11	42	31	54
Audit	43	15	154	29
Illicit Money	2	8	2	16
Other (EU, legislation etc.)	261	208	714	431
Total	952	1,198	2,216	2,411

The Agency personnel attends courses, seminars, conferences and other training activities organized by international institutions and foreign banking authorities on banking, economy, law, accounting, risk management, IT and other professional areas of expertise. In 2018; IMF, BCBS and FDIC were the top three institutions in terms of days of education attended by the personnel. In this period, the number of training days were 51 for IMF, 50 for BIS and 24 for FDIC.

Table 29: Distribution of International Training Activities by Organizing Institutions

Organizations	Number of Days		Share %	
	2017	2018	2017	2018
IMF	109	51	24.0	24.4
BCBS	44	50	9.6	23.9
FDIC	97	24	21.3	11.5
Equivalent Authorities	46	20	10.1	9.6
BRSA	41	20	9.0	9.6
IFSB	25	3	5.5	1.4
FATF	13	0	2.9	0
FSI	12	3	2.6	1.4
FSB	9	3	2.0	1.4
BIS	9	6	2.0	2.9
FED	9	0	2.0	0
BSCEE	6	0	1.4	0
WB	2	0	0.4	0
Other	33	29	7.2	13.9
Total	455	209	100.0	100.0

The downward trend in the number of personnel sent for graduate studies abroad continued in 2018 within the scope of public saving measures. In 2018, two professional personnel were sent abroad for post-graduate education. 12 professional personnel took language courses in Turkey to improve the level of foreign language skills.

Table 30: Number of Personnel Members Sent Abroad for Higher Education

	2011	2012	2013	2014	2015	2016	2017	2018
Number of Staff	20	19	14	9	8	1	5	2

In 2018, overseas education costs decreased by 1.4% to TL 1.7 million, and local and international course costs decreased by 14% to TL 186 thousand when compared to previous year. In 2018, total education costs decreased by 2.8% to TL 1.8 million and the share of education costs in total costs was 1.5% with a decrease of 0.5 points when compared to the previous year.

Table 31: Training Costs

(TL Thousand)	2011	2012	2013	2014	2015	2016	2017	2018
Cost of Overseas Education (*)	3,389	5,503	6,086	4,476	4,254	2,137	1,677	1,654
Domestic and Overseas Course Costs	392	241	493	303	201	66	216	186
Sum of Training Costs	3,781	5,744	6,579	4,779	4,455	2,203	1,893	1,840
Share in Total Costs (%)	5.1	7.0	6.6	4.7	4.2	2.0	2.0	1.5

(*) Monthly payments to personnel members abroad for education are included.

➤ Information Resources

Agency Library

The Agency's Library is an expertise library that was established for the purpose of providing domestic and foreign information sources both printed and electronic, organize them in accordance with the modern library practices and present them to the users.

In parallel with the increasing importance of quick and easy access to up-to-date information and improvements in the field of information technology, the Library started to focus only on electronic information source services by 2016. In this context, we have obtained 15 subscriptions to national and international databases on economy, banking, law and statistics in 2018. In addition, various databases were made available to the Agency personnel for trial throughout the year.

BRSA Banking and Financial Markets Magazine

The Agency publishes the BRSA Banking and Financial Markets Magazine, a peer-reviewed magazine that meets with readers twice a year, which includes original articles written in Turkish or English about the financial sector to contribute to the literature, and supports and aims to accelerate the scientific studies that will contribute to the development of the Turkish financial sector. With the publication of the magazine, it is aimed to contribute to the efficient operation of the financial sector by increasing the communication and information sharing between academics, professionals, researchers and policy makers. BRSA Banking and Financial Markets Magazine was published in two issues in 2018 and shared with the public on the website.

➤ Financial Resources

Budget Implementation Results

Article 17 of Public Finance Management and Control Law 5018 stipulates that the regulating and supervision agencies make their budgets with a three-year budget approach, strategic plans and performance objectives as well as functional and economic classification system. The Agency's 2018 Budget prepared in line with this Law and confirmed by the Board Decision 7511 dated 22/09/2017 was confirmed by TBMM and made effective with "2018 Central Management Budget Law" 7066 as promulgated in the duplicated issue of Official Gazette 30287 dated 31/12/2017.

Within the scope of this budget, total budget revenues were estimated as TL 450 million and actualized as TL 469,147 million. The revenues are distributed as participation income collected from banks and other audited institutions with 91% and interest income from large-scale TL deposit accounts with 9%.

Table 32: Finance Budget and Realization

TL Thousand	Budget		Realization		Difference (Actual-Budget)	
	2017	2018	2017	2018	2017	2018
Participation Share Income	366,250	426,190	366,494	427,008	244	818
Other Income	18,750	23,810	29,086	42,155	10,336	18,345
Interest Income	18,150	23,150	27,917	41,395	9,767	18,245
Other Various Income	600	660	1,169	760	569	100
Total	385,000	450,000	395,580	469,163	10,580	19,163

On the other hand, TL 140 million portion of the budgeted allowance of TL 450 million was spent in 2018. The highest expenditure items among the total expenditures have been personnel costs totaling to TL 63 million and current transfers totaling to TL 38 million. In this sense, among total expenditures:

- 45% personnel expenses,
- 22% purchase of goods and services,
- 4% premiums paid to Social Security Institution or the personnel,
- 1% capital expenses,
- 28% current transfers

are included.

Table 33: Budget and Expenditure Realization

TL Thousand	Starting Allowance		Expenditures		Remaining	
	2017	2018	2017	2018	2017	2018
Personnel Costs	122,655	170,955	50,180	63,055	72,475	107,900
SGK Premium Payments	9,039	19,584	3,844	5,544	5,195	14,040
Purchase of Goods & Services	82,031	49,486	33,980	31,811	48,051	17,675
Current Transfers	2,505	41,205	3,082	38,648	-577	2,557
Capital Costs	168,770	168,770	7,923	1,095	160,847	167,675
Total	385,000	450,000	99,009	140,153	285,991	309,847

Financial Tables

As of the end of 2018, the balance sheet sum of the Agency grew by approximately 31% and reached to TL 1,183 million when compared to the previous year. The largest share among the assets is the bank accounts with TL 983 million and the second largest item is fixed assets with TL 174 million. On the liabilities side, long-term liabilities are the biggest item with TL 680 million.

Table 34: Summary Balance Sheet

TL Thousand	2017	2018
Assets		
1 Current Assets	717,896	1,009,673
10 Liquid Assets	705,679	983,751
12 Receivables from Operations	1,797	2,655
14 Other Receivables	1,948	3,761
15 Inventories	62	112
16 Prepayments	1,825	3,970
18 Expenses Pertaining to Future Months and Income Accruals	6,585	15,424
2 Fixed Assets	182,155	174,028
Total Assets	900,051	1,183,701
Liabilities		
3 Short Term Liabilities	2,750	3,337
32 Payables from Operations	158	79
33 Deposit Foreign Assets	332	303
36 Other Liabilities	2,260	2,955
4 Long Term Liabilities	426,407	680,907
47 Provisions for Debts and Expenses	-	1,377
48 Incomes Pertaining to Future Years and Expenditure Accrual	426,407	679,530
5 Equity	470,894	499,457
50 Net Value	172,088	171,319
59 Period Operating Results	298,806	328,138
Total Liabilities	900,051	1,183,701

As per Article 101 of the Banking Law, the excess revenues of the Agency are transferred to the general budget as income in March. In 2018, TL 328.1 million was transferred to the general budget as excess revenue and the total amount is TL 1,755.1 million.

Table 35: Transfer to General Budget

	2003 - 2016	2017	2018	Total
TL Million (Current prices)	1,128.2	298.8	328.1	1,755.1
TL Million (2019 prices)*	2,284.2	354.1	328.1	2,966.4
Million USD **	553.1	76.9	60.1	690.1

* The transfer amounts are indicated in February 2019 prices as calculated using the Consumer Price Index (2003=100).

** Calculated based on the CBRT foreign exchange buying rate as of mid-March when transfers were made.

Financial Audit of the Agency

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

ANNEXES

ANNEXES

ANNEX 1: Institutions Subject to the 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 MITSUBISHI 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 EMLAK KATILIM BANKASI A.Ş.
43	TÜRKİYE FİNANS KATILIM BANKASI A.Ş.
44	TÜRKİYE GARANTİ BANKASI A.Ş.
45	TÜRKİYE HALK BANKASI A.Ş.
46	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
47	TÜRKİYE İŞ BANKASI A.Ş.
48	TÜRKİYE KALKINMA BANKASI A.Ş.
49	TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.
50	TÜRKİYE VAKIFLAR BANKASI T.A.O.
51	VAKIF KATILIM BANKASI A.Ş.
52	YAPI VE KREDİ BANKASI A.Ş.
53	ZİRAAT KATILIM BANKASI A.Ş.
	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	GARANTİ FİNANSAL KİRALAMA A.Ş.
11	HALİÇ FİNANSAL KİRALAMA A.Ş.
12	HALK FİNANSAL KİRALAMA A.Ş.
13	ING FİNANSAL KİRALAMA A.Ş.
14	İŞ FİNANSAL KİRALAMA A.Ş.
15	MERCEDES-BENZ FİNANSAL KİRALAMA TÜRK A.Ş.
16	PERVİN FİNANSAL KİRALAMA A.Ş.
17	QNB FİNANS FİNANSAL KİRALAMA A.Ş.
18	SIEMENS FİNANSAL KİRALAMA A.Ş.

19	ŞEKER FİNANSAL KİRALAMA A.Ş.
20	VAKIF FİNANSAL KİRALAMA A.Ş.
21	VFS FİNANSAL KİRALAMA A.Ş.
22	YAPI KREDİ FİNANSAL KİRALAMA A.Ş.
23	YATIRIM 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	C FAKTORİNG A.Ş.
14	CREDITWEST FAKTORİNG A.Ş.
15	ÇAĞDAŞ FAKTORİNG A.Ş.
16	ÇÖZÜM FAKTORİNG A.Ş.
17	DENİZ FAKTORİNG A.Ş.
18	DESTEK FAKTORİNG A.Ş.
19	DEVİR FAKTORİNG A.Ş.
20	DOĞA FAKTORİNG A.Ş.
21	DORUK FAKTORİNG A.Ş.
22	EKO FAKTORİNG A.Ş.
23	EKSPÖ FAKTORİNG HİZMETLERİ A.Ş.
24	FİBA FAKTORİNG A.Ş.
25	GARANTİ FAKTORİNG A.Ş.
26	GLOBAL FAKTORİNG HİZMETLERİ A.Ş.
27	GSD FAKTORİNG A.Ş.
28	HALK FAKTORİNG A.Ş.
29	HUZUR FAKTORİNG A.Ş.
30	ING FAKTORİNG A.Ş.
31	İSTANBUL FAKTORİNG A.Ş.
32	İŞ FAKTORİNG FİNANSMAN A.Ş.
33	KAPİTAL FAKTORİNG A.Ş.
34	KENT FAKTORİNG A.Ş.
35	KREDİ FİNANS FAKTORİNG A.Ş.

36	LİDER FAKTORİNG A.Ş.
37	MERT FİNANS FAKTORİNG HİZMETLERİ A.Ş.
38	MNG FAKTORİNG A.Ş.
39	OPTİMA FAKTORİNG A.Ş.
40	PAMUK FAKTORİNG A.Ş.
41	PARAFİNANS FAKTORİNG A.Ş.
42	QNB FİNANS FAKTORİNG A.Ş.
43	SARDES FAKTORİNG A.Ş.
44	SÜMER FAKTORİNG A.Ş.
45	ŞEKER FAKTORİNG A.Ş.
46	ŞİRİNOĞLU FAKTORİNG A.Ş.
47	TAM FAKTORİNG A.Ş.
48	TEB FAKTORİNG A.Ş.
49	TRADEWIND FAKTORİNG A.Ş.
50	TUNA FAKTORİNG A.Ş.
51	ULUSAL FAKTORİNG A.Ş.
52	VAKIF FAKTORİNG A.Ş.
53	VDF FAKTORİNG A.Ş.
54	YAPI KREDİ FAKTORİNG A.Ş.
55	YAŞAR FAKTORİNG A.Ş.
56	YEDİTEPE FAKTORİNG A.Ş.
57	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 FİNANSMANI 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 ANONİM ŞİRKETİ
8	ADM BAĞIMSIZ DENETİM A.Ş.
9	AG YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
10	AK BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
11	AKADEMİK BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
12	AKİS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
13	AKSİS BAĞIMSIZ DENETİM A.Ş.
14	AKT BAĞIMSIZ DENETİM A.Ş.
15	AKTAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
16	ALTERNATİF BAĞIMSIZ DENETİM A.Ş.
17	ANALİTİK BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
18	AND YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
19	ANIL YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
20	AREN BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
21	ARILAR BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
22	ARKAN ERGİN ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
23	ARTI DEĞER ULUSLARARASI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
24	AS BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
25	ATA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
26	AVRASYA BAĞIMSIZ DENETİM VE YMM A.Ş.
27	AYK BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
28	BAKIŞ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
29	BAN-DEN BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
30	BAŞARAN NAS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
31	BATI YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
32	BD BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
33	BDD BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
34	BDO DENET BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
35	BİLGİ BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
36	BİLGİLİ BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
37	BİRLEŞİK EKOL BAĞIMSIZ DENETİM A.Ş.
38	BİRLEŞİK UZMANLAR YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
39	BİRLEŞİM BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
40	BM BAĞIMSIZ DENETİM A.Ş.

41	BOĞAZİÇİ 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	ECOVİS 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	İHY 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 ULUSLARARASI 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 ANONİM ŞİRKETİ
112	SUN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
113	TRC BAĞIMSIZ DENETİM ANONİM ŞİRKETİ
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 ANONİM ŞİRKETİ
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.
	REPRESENTATIVE OFFICE OF FOREIGN BANKS
1	AAREAL BANK A.G. TURKEY REPRESENTATIVE OFFICE
2	ABC INTERNATIONAL BANK PLC TURKEY REPRESENTATIVE OFFICE
3	ALUBAF ARAB INTERNATIONAL BANK BSC TURKEY REPRESENTATIVE OFFICE
4	BANCA MONTE DEI PASCHI DI SIENA S.P.A. TURKEY REPRESENTATIVE OFFICE
5	BANCO SABADELL S.A. TURKEY REPRESENTATIVE OFFICE
6	BANK AL HABIB LIMITED TURKEY REPRESENTATIVE OFFICE
7	BANK JULIUS BAER&CO. LTD. TURKEY REPRESENTATIVE OFFICE
8	BANK OF BAHRAIN AND KUWAIT TURKEY REPRESENTATIVE OFFICE
9	BANK OF CHINA LIMITED TURKEY REPRESENTATIVE OFFICE
10	BNP PARIBAS S.A. TURKEY REPRESENTATIVE OFFICE
11	CAIXABANK S.A. TURKEY REPRESENTATIVE OFFICE
12	CITIBANK N.A TURKEY REPRESENTATIVE OFFICE
13	COMMERZBANK A.G. TURKEY REPRESENTATIVE OFFICE
14	CREDIT EUROPE BANK N.V . TURKEY REPRESENTATIVE OFFICE
15	CREDIT INDUSTRIEL ET COMMERCIAL (CIC) TURKEY REPRESENTATIVE OFFICE
16	DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAF MBH TURKEY REPRESENTATIVE OFFICE
17	DEMİR-HALK BANK (NEDERLAND) N.V. TURKEY REPRESENTATIVE OFFICE
18	DOHA BANK TURKEY REPRESENTATIVE OFFICE
19	DUBAI ISLAMIC BANK TURKEY REPRESENTATIVE OFFICE
20	DZ BANK A.G. TURKEY REPRESENTATIVE OFFICE
21	EFG BANK AG TURKEY REPRESENTATIVE OFFICE
22	EMIRATES NBD BANK P.J.S.C. TURKEY REPRESENTATIVE OFFICE
23	GARANTİBANK 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 GEORGIA 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	LANDESBANK BADEN-WÜRTTEMBERG TURKEY REPRESENTATIVE OFFICE
31	MIZUHO CORPORATE BANK LTD. TURKEY REPRESENTATIVE OFFICE
32	NATIXIS SA TURKEY REPRESENTATIVE OFFICE
33	NEAR EAST BANK LIMITED TURKEY REPRESENTATIVE OFFICE

34	NOMURA BANK INTERNATIONAL PLC TURKEY REPRESENTATIVE OFFICE
35	OYAK ANKER BANK GMBH TURKEY REPRESENTATIVE OFFICE
36	QINVEST LLC TURKEY REPRESENTATIVE OFFICE
37	RABOBANK INTERNATIONAL TURKEY REPRESENTATIVE OFFICE
38	STATE BANK OF INDIA TURKEY REPRESENTATIVE OFFICE
39	SUMITOMO MITSUI BANKING CORPORATION TURKEY REPRESENTATIVE OFFICE
40	THE BANK OF NEW YORK MELLON TURKEY REPRESENTATIVE OFFICE
41	THE EXPORT-IMPORT BANK OF KOREA TURKEY REPRESENTATIVE OFFICE
42	UBS A.G. TURKEY REPRESENTATIVE OFFICE
43	UNION BANCAIRE PRIVÉE, UBP SA TURKEY REPRESENTATIVE OFFICE
44	ZİRAAT BANK INTERNATIONAL AG TURKEY REPRESENTATIVE OFFICE
ASSET MANAGEMENT COMPANIES	
1	ARMADA VARLIK YÖNETİM A.Ş.
2	ARSAN VARLIK YÖNETİM A.Ş.
3	BİRİKİM VARLIK YÖNETİM A.Ş.
4	BİRLEŞİM VARLIK YÖNETİM A.Ş.
5	BOĞAZİÇİ VARLIK YÖNETİM A.Ş.
6	DESTEK VARLIK YÖNETİM A.Ş.
7	DOĞRU VARLIK YÖNETİM A.Ş.
8	EFES VARLIK YÖNETİM A.Ş.
9	EMİR VARLIK YÖNETİM A.Ş.
10	GELECEK VARLIK YÖNETİM A.Ş.
11	HAYAT VARLIK YÖNETİM A.Ş.
12	HEDEF VARLIK YÖNETİM A.Ş.
13	İSTANBUL VARLIK YÖNETİM A.Ş.
14	MEGA VARLIK YÖNETİM A.Ş.
15	MERKEZ VARLIK YÖNETİM A.Ş.
16	METAL VARLIK YÖNETİM A.Ş.
17	MET-AY VARLIK YÖNETİM A.Ş.
18	SÜMER VARLIK YÖNETİM A.Ş.
19	VERA VARLIK YÖNETİM A.Ş.
20	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	ACE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

7	AÇI KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
8	ADA TAŞINMAZ DEĞERLEME DANIŞMANLIK A.Ş.
9	ADEN GAYRİMENKUL DEĞERLEME VE 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	AGD ANADOLU GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
14	AKADEMİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
15	AKTİF GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
16	ALAN TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
17	ANKA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
18	ANREVA KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
19	ARCHİ DANIŞMANLIK VE GAYRİMENKUL DEĞERLEME A.Ş.
20	AREA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
21	ARGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
22	ARI GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
23	ARIKAN TAŞINMAZ DEĞERLEME A.Ş.
24	ARMA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
25	ARTI GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
26	ARVES GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
27	ASAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
28	ATAK GAYRİMENKUL DEĞERLEME A.Ş.
29	ATLAS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
30	AVRUPA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
31	BAŞKENT TAŞINMAZ DEĞERLEME A.Ş.
32	BİLGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
33	BİLGİ GAYRİMENKUL DEĞERLEME A.Ş.
34	CLS KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
35	ÇAĞKAN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
36	ÇELEN KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
37	ÇINAR TAŞINMAZ DEĞERLEME VE MÜŞAVİRLİK A.Ş.
38	ÇİZGİ GAYRİMENKUL DEĞERLEME A.Ş.
39	D TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
40	DEGA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
41	DEĞER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
42	DEMİR GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
43	DENGE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
44	DETAY TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
45	DGD GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

46	DİZAYN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
47	DONATİ GAYRİMENKUL DEĞERLEME A.Ş.
48	DORA GAYRİMENKUL DEĞERLEME A.Ş.
49	DÜNYA GRUP GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
50	DÜZEY GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
51	EGE TAŞINMAZ DEĞERLEME VE DANIŞMANLIK
52	EKİP TAŞINMAZ DEĞERLEME A.Ş.
53	EKOL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
54	EKSEN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
55	EKSPER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
56	EKSPERTUR GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
57	ELİT GAYRİMENKUL DEĞERLEME A.Ş.
58	ELMA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
59	EMEK TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
60	EMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
61	EPOS GAYRİMENKUL DANIŞMANLIK VE DEĞERLEME A.Ş.
62	ETİK GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
63	ETKİN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
64	EVA GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
65	FOKUS GAYRİMENKUL DEĞERLEME A.Ş.
66	FOREKS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
67	FORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
68	GALATA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
69	GEDAŞ GAYRİMENKUL DEĞERLEME A.Ş.
70	GERÇEK GAYRİMENKUL DEĞERLEME A.Ş.
71	GİRİŞİM GAYRİMENKUL DEĞERLEME A.Ş.
72	GOLD GAYRİMENKUL DEĞERLEME EKSPERTİZ VE DANIŞMANLIK A.Ş.
73	HARMONİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
74	İDEAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
75	İLKE GAYRİMENKUL DEĞERLEME A.Ş.
76	İNVEST GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
77	İSTANBUL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
78	KALME KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
79	KARAT TAŞINMAZ DEĞERLEME A.Ş.
80	KARE GAYRİMENKUL DEĞERLEME A.Ş.
81	KENT KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
82	KFB GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
83	KOZA GAYRİMENKUL DEĞERLEME A.Ş.
84	KUZEY KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
85	LAL GAYRİMENKUL DEĞERLEME VE MÜŞAVİRLİK A.Ş.

86	LİDER GAYRİMENKUL DEĞERLEME A.Ş.
87	LİMİT GAYRİMENKUL DEĞERLEME HİZMETLERİ A.Ş.
88	LODOS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK
89	LOTUS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
90	MAKRO GAYRİMENKUL DEĞERLEME A.Ş.
91	MARKA KURUMSAL GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
92	MAVİ GAYRİMENKUL DEĞERLEME A.Ş.
93	MAY GAYRİMENKUL DEĞERLEME A.Ş.
94	METRİK GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
95	METROPOL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
96	MÜLK KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
97	NET KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
98	NOKTA TAŞINMAZ DEĞERLEME A.Ş.
99	NOVA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
100	ODE GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
101	ÖZTÜRK GAYRİMENKUL DEĞERLEME A.Ş.
102	PİRAMİT GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
103	PLATFORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
104	PRİM E GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
105	RASYONEL GRUP TAŞINMAZ DEĞERLEME A.Ş.
106	REEL GAYRİMENKUL DEĞERLEME A.Ş.
107	REFERANS GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
108	REHBER GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
109	RESPA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
110	RM RİTİM GAYRİMENKUL DEĞERLEME A.Ş.
111	ROTA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
112	SEAK GAYRİMENKUL DEĞERLEME A.Ş.
113	SENTEZ GAYRİMENKUL DEĞERLEME A.Ş.
114	SMART KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
115	SOM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK HİZMETLERİ TİCARET A.Ş.
116	SÜMER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
117	TADEM TAŞINMAZ DEĞERLEME MÜŞAVİRLİK A.Ş.
118	TAKSİM KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
119	TALYA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
120	TEKNİK GAYRİMENKUL DEĞERLEME A.Ş.
121	TER RA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
122	TSKB GAYRİMENKUL DEĞERLEME A.Ş.
123	TUVEO KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
124	ULUSAL GAYRİMENKUL DEĞERLEME A.Ş.

125	UZMAN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
126	VAKIF GAYRİMENKUL DEĞERLEME A.Ş.
127	VARLIK TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
128	VERA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
129	VİZYON TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
130	YATIRIM GAYRİMENKUL DEĞERLEME A.Ş.
131	YEDİTEPE GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
132	YETKİN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
133	ZEUGMA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
134	ZİRVE GAYRİMENKUL DEĞERLEME A.Ş.
	RATING COMPANIES
1	JCR AVRASYA DERCELENDİRME 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 YETKİLİ VEZNE ÖDEME KURULUŞU A.Ş.
7	FATURAKOM ÖDEME HİZMETLERİ A.Ş.
8	FATURAMATİK ÖDEME KURULUŞU A.Ş.
9	FÖY FATURA ÖDEME KURULUŞU A.Ş.
10	GLOBAL ÖDEME HİZMETLERİ A.Ş.
11	GÖNDERAL ÖDEME HİZMETLERİ A.Ş.
12	İSTANBUL ÖDEME KURULUŞU A.Ş.
13	KLON ÖDEME KURULUŞU A.Ş.
14	MOKA ÖDEME KURULUŞU A.Ş.
15	MONEYGRAM TURKEY ÖDEME HİZMETLERİ A.Ş.
16	N KOLAY ÖDEME KURULUŞU A.Ş.
17	NESTPAY ÖDEME HİZMETLERİ A.Ş.
18	OCTET EXPRESS ÖDEME KURULUŞU A.Ş.
19	ÖDEAL ÖDEME KURULUŞU A.Ş.
20	PAY FİX ÖDEME HİZMETLERİ A.Ş.
21	PAYNET ÖDEME HİZMETLERİ A.Ş.
22	PAYTR ÖDEME HİZMETLERİ A.Ş.
23	PAYTREK ÖDEME KURULUŞU HİZMETLERİ A.Ş.
24	PAYU ÖDEME KURULUŞU A.Ş.
25	PRATİK İŞLEM ÖDEME KURULUŞU A.Ş.
26	RIA TURKEY ÖDEME KURULUŞU A.Ş.

27	SENDER ÖDEME HİZMETLERİ A.Ş.
28	TAM FATURA ÖDEME HİZMETLERİ A.Ş.
29	TREND ÖDEME KURULUŞU A.Ş.
30	TRONOPAY ÖDEME HİZMETLERİ A.Ş.
31	TT ÖDEME HİZMETLERİ A.Ş.
32	UPT ÖDEME HİZMETLERİ A.Ş.
33	VEZNE24 TAHSİLAT SİSTEMLERİ VE ÖDEME HİZ. A.Ş.
34	VİZYON TAHSİLAT SİSTEMLERİ VE ÖDEME HİZ. A.Ş.
	ELECTRONIC MONEY INSTITUTIONS
1	VODAFONE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
2	BELBİM ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
3	BİRLEŞİK ÖDEME HİZMETLERİ VE ELEKTRONİK PARA A.Ş.
4	CEMETE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
5	D ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
6	HIZLI PARA ÖDEME HİZMETLERİ VE ELEKTRONİK PARA A.Ş.
7	İNİNAL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
8	İYZİ ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
9	PALADYUM ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
10	PAPARA ELEKTRONİK PARA VE ÖDEME HİZMETLERİ A.Ş.
11	TURK ELEKTRONİK PARA A.Ş.
12	TURKCELL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
13	VODAFONE ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.
14	WİRECARD ÖDEME VE ELEKTRONİK PARA HİZMETLERİ A.Ş.

*List of organizations is updated and sorted alphabetically on the basis of their fields of operation.

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

Members of the Board as of the publication date of the report

NAME & SURNAME	TITLE	DATE OF ASSIGNMENT
Mehmet Ali AKBEN	Chairman	18/05/2015
Yakup ASARKAYA	Second Chairman	15/12/2017
Beytullah YAZAR	Member	15/12/2017
Mustafa BALCI	Member	15/12/2017
Ahmet AKSU	Member	09/01/2019
Hurşit YILDIRIM	Member	09/01/2019
İhsan Uğur DELİKANLI	Member	09/01/2019

Board Members with Expired Term or Retirement

NAME & SURNAME	TITLE	DATE OF ASSIGNMENT	DATE OF RETIREMENT
CHAIRMEN			
Mukim ÖZTEKİN	Chairman	22/06/2012	13/11/2014
Tevfik BİLGİN	Chairman	01/12/2003	11/04/2012
R. Engin AKÇAKOCA	Chairman	19/03/2001	05/11/2003
Zekeriya TEMİZEL	Chairman	06/04/2000	03/03/2001
SECOND CHAIRMEN			
Mutalip ÜNAL	Second Chairman	06/10/2009	06/10/2015
Ahmet ŞİRİN	Second Chairman	12/08/2003	13/06/2011
İbrahim Halil ÇANAKCI	Second Chairman	11/12/2002	05/05/2003
Ali Vefa ÇELİK	Second Chairman	13/06/2001	07/08/2001
Biltekin ÖZDEMİR	Second Chairman	06/04/2000	13/06/2001
MEMBERS			
OlcaY TURAN (*)	Member	02/12/2013	09/07/2018
Fatin Rüştü KARAKAŞ (**)	Member	15/12/2017	09/07/2018
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 Akın ÇAĞLAR	Member	25/07/2011	30/04/2014
Selim Servet TAŞDELEN	Member	25/01/2010	17/11/2014
Mustafa AKIN	Member	16/11/2007	16/11/2013
Erol BERKTAŞ	Member	14/11/2007	14/11/2013
Hüseyin AL	Member	28/07/2005	28/07/2011
Mukim ÖZTEKİN	Member	02/10/2009	08/01/2010
Prof. Yusuf TUNA	Member	12/08/2003	12/08/2009
Mustafa EKİM	Member	01/07/2003	01/07/2009
Yusuf Ziya ÖNDER	Member	13/06/2001	13/06/2007
Prof. Kemal ÇEVİK	Member	06/04/2000	13/06/2007
Mehmet Nuri DOĞULU	Member	13/06/2001	13/06/2005
Atilla TAŞDEMİR	Member	13/06/2001	13/06/2003
Ali Akın TARI	Member	13/06/2001	13/06/2003
Ural ŞEKERCİ	Member	06/04/2000	13/06/2001
Selim Servet TAŞDELEN	Member	06/04/2000	13/06/2001
Prof. Bilge HACIHASANOĞLU	Member	06/04/2000	13/06/2001
Halil YETGİN	Member	06/04/2000	13/06/2001

(*) While the term of office shall expire on 02/12/2018, it was expired on 09/07/2018 pursuant to the temporary article 34 added to Decree Law 375 under Decree Law 703.

(**) Appointed to serve the remaining term of Muhiddin GÜLAL and the term of office shall expire on 05/12/2018, it was expired on 09/07/2018 pursuant to the temporary article 34 added to Decree Law 375 under Decree Law 703.



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