

# 2019

## ANNUAL REPORT



**BANKING REGULATION AND  
SUPERVISION AGENCY**

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The Report is available at BRSA web site ([www.bddk.org.tr](http://www.bddk.org.tr)) with full contents.





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.



**BANKING REGULATION AND  
SUPERVISION AGENCY**

**2019**

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## ABBREVIATIONS

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<b>AAOIFI</b>	Accounting and Auditing Organization for Islamic Financial Institutions
<b>API</b>	Application Programming Interface
<b>A.Ş.</b>	Incorporated Company
<b>BADES</b>	Independent Audit Tracking System
<b>BAT</b>	Banks Association of Turkey
<b>BCBS</b>	Basel Committee on Banking Supervision
<b>BGYS</b>	Information Security Management System
<b>BRSA</b>	Banking Regulation and Supervision Agency
<b>BİMER</b>	Prime Ministry Center for Communication
<b>BIS</b>	Bank for International Settlements
<b>BRS</b>	BRSA Reporting System
<b>BSCEE</b>	Banking Supervisors from Central and Eastern Europe
<b>BSEC</b>	Black Sea Economic Cooperation
<b>BVTS</b>	Banking Data Transfer System
<b>CAMELS</b>	Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity Analysis
<b>CBRT</b>	Central Bank of the Republic of Turkey
<b>CMB</b>	Capital Markets Board
<b>ÇİMER</b>	Presidency Center for Communication
<b>CRA</b>	Central Registry Agency
<b>EBYS</b>	Electronic Document Management System
<b>ESMA</b>	European Securities and Markets Authority
<b>EU</b>	European Union
<b>FATF</b>	Financial Action Task Force
<b>FCIB</b>	Financial Crimes Investigation Board
<b>FDIC</b>	US Federal Deposit Insurance Corporation
<b>FINTÜRK</b>	Financial Turkey Map
<b>FSAP</b>	Financial Sector Assessment Program
<b>FSB</b>	Financial Stability Board

<b>FSC</b>	Financial Sector Commission
<b>GDP</b>	Gross Domestic Product
<b>HBAS</b>	Rapid Information Transfer System
<b>HTS</b>	Legal Affairs Monitoring System
<b>ICAAP</b>	Internal Capital Adequacy Assessment Process
<b>IFSB</b>	Islamic Financial Services Board
<b>IMF</b>	International Monetary Fund
<b>KKB</b>	Credit Registry Office
<b>MEDAS</b>	Central Distribution System
<b>NRA</b>	National Risk Assessment
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OG</b>	Official Gazette
<b>PBAT</b>	Participation Banks Association of Turkey
<b>RAP</b>	Review and Assessment Process
<b>RAS</b>	Risk Analysis Process
<b>RİP</b>	Official Statistics Program
<b>RK</b>	Competition Authority
<b>SDİF</b>	Savings Deposit Insurance Fund
<b>SME</b>	Small and Medium Sized Enterprises
<b>SOME</b>	Cyber Issues Intervention Team
<b>STA</b>	Free Trade Agreements
<b>T.C.</b>	Republic of Turkey
<b>TGNA</b>	Turkish Grand National Assembly
<b>TL</b>	Turkish Lira
<b>TRNC</b>	Turkish Republic of Northern Cyprus
<b>TÜİK</b>	Turkish Statistics Institute
<b>UAP</b>	Uniform Accounting Plan
<b>USOM</b>	National Cyber Issues Intervention Center
<b>WB</b>	World Bank
<b>WTO</b>	World Trade Organization





# CHAIRMAN'S FOREWORD



# CHAIRMAN'S FOREWORD



2019 was a year when our economic and financial system re-balanced following significant fluctuations resulting from speculative attacks in the previous year and the Turkish banking industry continued to be an anchor of stability for our whole economy during this process.

Although the rate of non-performing loans increased during this process to 5.4% as of the end of 2019, capital adequacy ratio was realized as 18.4%, confirming the durability of the banking industry. The asset size of the sector increased by 16.1% at the end of 2019 as compared to the same period of the previous year and reached TL 4,491 billion. In the same period, total loans grew by 10.9% to TL 2,656 billion and the share of loans in total assets was 59.1%. On the other hand, the share of securities in the total balance sheet is around 14.7%. In the last year, the biggest funding source of our banks was the deposit item with 57.2% 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 2019 was TL 49 billion and return on equity was 11.5%.

The proactive regulation and supervision approach of the Agency along with the prudent and innovative practices of our banks had a significant contribution in this positive

development of the industry. The Agency on one hand performed the necessary regulations to ensure that the risks encountered by the industry remained at manageable levels and on the other hand, promptly realized the macro cautionary measures required by the conjuncture in compliance with the economy policies. In this context, for example limitations on credit card installments were eased for certain goods and services and tax payments, and the overall tax limit on corporate credit cards was increased with the various regulations enacted in 2019. On the other hand, in January 2020 we decided to decrease the credit card installment terms for certain goods and services in order to limit the current accounts deficit and domestic demand and limit the terms in consumer credits.

Following the large fluctuations of 2018, in 2019 the Agency performed a special comprehensive on-site audit study for the industry. With the audit, financial structure and rating reports were prepared about banks and rating scores were determined about various components including the asset quality, adequacy of shareholders equity and liquidity adequacy of banks and their risk profiles were prepared; banks were instructed to take the identified measures and actions and classify credits extended to non-performing debtors as non-performing loans. Fulfillment of the given instructions is being closely monitored through remote surveillance and on-site audits.

We took important steps in 2019 regarding participation banking segment, which we consider to hold a significant development potential for the financial system of our country. In this context, the fund utilization methods of participation banks were diversified, development and investment banks were allowed to operate also based on participation banking methods and flexibilities were provided in donation and aid limits as restricted to revenues acquired compulsorily due to the legislation and which do not comply with the professional principles and standards of participation banking.

In order to provide financial relief to our citizens impacted by the earthquakes that occurred in Elazığ and Malatya in January 2020, leasing companies and financing companies were allowed to determine the terms of the credits to be newly allocated or to be subject to restructuring in these regions without being subject to the terms specified in the relevant legislation. Likewise, it was decided to increase the installment terms in goods and service purchases with credit cards by up to one-fold.

Certain changes were made in the field of responsibility of the Agency. The power to regulate and supervise payment service providers, payment institution and electronic money

institutions, which was under the responsibility of the Agency since 2013, was transferred to the Central Bank of the Republic of Turkey as of the start of 2020. The aim of this change was to ensure that, in consideration of the advances in IT and communication technologies and the new products and practices in the field of payments, the former dual regulation and control mechanism is performed more effectively under a single institution in line with global practices.

On the other hand, the Central Bank of the Republic of Turkey is legally authorized to determine the interests, fees and commissions of banks and other financial institutions for the products and services they offer. The Agency was assigned certain duties pursuant to the Consumer Protection Law. The powers the Agency regarding the matter were transferred to the Central Bank of the Republic of Turkey with the change made in early 2020 to ensure that the said responsibilities are consolidated.

The Agency offered another new service for use in addition to the “Complaint Application and Follow-Up” service offered to financial consumer as part of the e-Government gateway. With the “Query Banks Holding Deposit/Participation Fund Account” service started in March 2020, applicant citizens are safely provided information about which banks they hold deposit or participation fund accounts through the internet or mobile technologies based on data collected from banks. The application aims to transfer public services into electronic medium, increase transparency in the relations between financial institutions and financial consumers and protect the rights of financial consumers more effectively.

In addition to making a major contribution to the finance industry, developments in IT technologies also led to certain risks. This requires frequent review and update of the cyber and physical security controls conducted on the infrastructure and various service channels currently used by the banking industry, identified as one of the critical infrastructure industries. For this purpose, the “Regulation on Information Systems and Electronic Banking Services of Banks” was recently published in March 2020 as a result of assessing the experiences gained from the supervisory works conducted by our Agency and independent audit institutions, requests, suggestions and complaints received from other institutions, banks and bank customers. The Agency also monitors cyber events in the banking industry within the scope of Industrial Cyber Issues Intervention Teams' (SOME) and conducts works on potential measures that can be taken against cyber-attacks and prevents fraudulent actions carried out by using the banks as

intermediaries. In this context, the Cyber Cafe Event was organized in March 2019 in cooperation with the Turkish Cyber Security Cluster created under the leadership of the Agency and the Presidency of Defense Industries in order to bring together representatives of the banking and cyber security industries and increase cooperation.

2020 started under the shadow of many serious agenda topics such as global trade war, geopolitical tensions in our region, hot conflicts and the refugee problem. Then the whole world entered a period of humanitarian crisis and economic uncertainty unprecedented in recent history with the coronavirus epidemic that emerged in China immediately thereafter and turned into a pandemic. Public authorities have invoked significant instruments and policies for managing the process in order to limit the economic and social impacts of the pandemic, which is expected to cause countries to turn inward and a decline in economic and social activities in the medium term along with a considerable number of deaths. The aim is to support companies and the financial sector, keep credit channels open and provide relief to citizens through tax facilitations, direct support packages, low interest rate policies of central banks approaching zero and other measures.

In this context, in addition to the strict measures taken for its internal operation to prevent the spread of the pandemic, our Agency has also recently realized a series of measures to ensure that the wheels of the economy keep turning, in line with the practices of the European Central Bank, BIS and other international institutions. These include providing flexibility to banks in re-examining their business continuity plans, in calculating equities, capital adequacy, liquidity and net general foreign currency position and in classifying credits as non-performing loans, along with giving instructions to banks on issues such as keeping credit channels open and continuing banking services effectively. The Agency will continue to closely monitor the developments in the upcoming period and implement the necessary measures diligently and promptly in cooperation with the relevant institutions and organizations.

I would like to express my faith that we will soon overcome these difficult times that our country and the whole world is going through, with unity and solidarity, and present the BRSA 2019 Annual Report to the public, hoping that it will benefit everyone; I would also like to thank my coworkers for their diligent work.

**Mehmet Ali AKBEN**

Chairman









# **BOARD MEMBERS AND TOP MANAGEMENT**

**BANKING REGULATION AND SUPERVISION BOARD**

**Dr. Yakup  
ASARKAYA**  
Second Chairman

**Mustafa  
BALCI**  
Member

**Mehmet Ali  
AKBEN**  
Chairman



**Dr. İhsan Uğur  
DELİKANLI**  
Member

**Ahmet  
AKSU**  
Member

**Hurşit  
YILDIRIM**  
Member



## BANKING REGULATION AND SUPERVISION AGENCY

**Erhan  
ÇETINKAYA**  
Vice Chairman

**Taha  
ÇAKMAK**  
Vice Chairman

**Mehmet Ali  
AKBEN**  
Chairman



- Enforcement I Department
- Enforcement II Department
- Enforcement III Department
- Enforcement IV Department
- Enforcement V Department
- Risk Management Department
- Corporate Communications & External Affairs Department

- Audit I Department
- Audit II Department
- Audit III Department
- Economic Research Department
- Financial Consumer Relations Department



**Muhammet  
ERİŐEN**  
Vice Chairman



**Dr. M. İrfan  
KURT**  
Vice Chairman



**M. Mustafa  
CERİT**  
Vice Chairman



- Regulation Department
- Audit IV Department

- Strategy Development Department
- Support Services Department
- Directorate of Board Affairs and Resolution
- Directorate of Human Resources
- Directorate of Training
- Directorate of Financial Affairs
- Directorate of Administrative Affairs

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



# **POSITION OF THE AGENCY IN THE NATIONAL ECONOMY**



## POSITION OF THE AGENCY IN THE NATIONAL ECONOMY

Acting as the responsible institution in the field of supervision and auditing for a significant portion of the finance industry, our Agency plays an important role in the Turkish economy in terms of ensuring financial stability, developing the industry, strengthening the framework for 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.

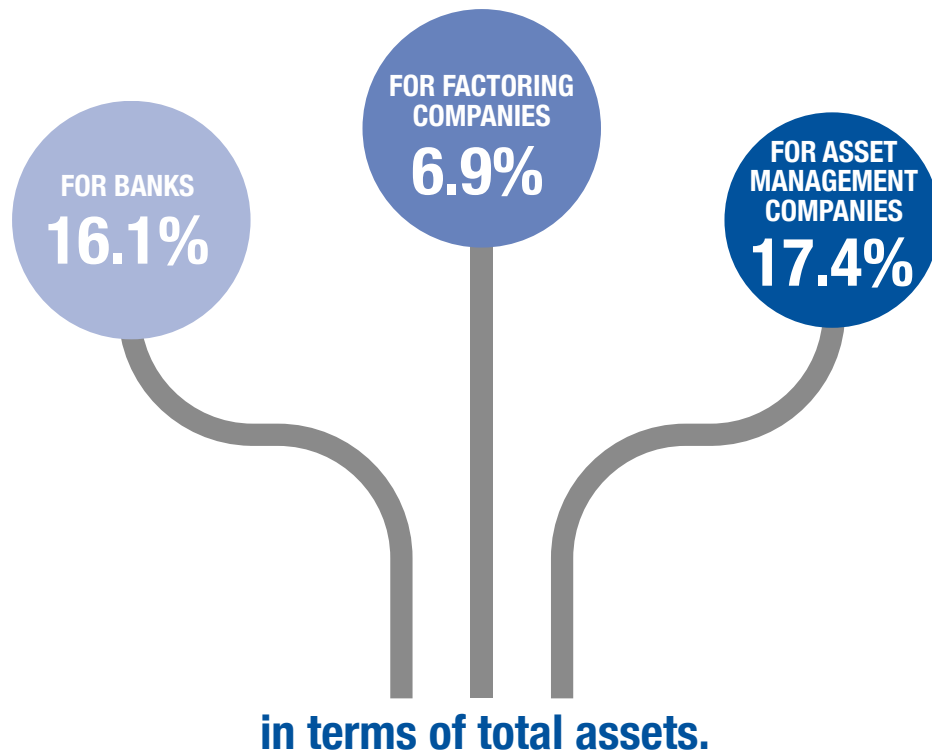
The asset size of the finance industry has reached TL 5.2 trillion (approximately USD 873 billion) as of the end of 2019. When we take a look at the asset size of the financial industry that has reached to 1.2 times of the GDP, we see that the Turkish banking industry has the largest share with 86.5%.

In 2019, the finance industry shares of banks, leasing companies, factoring companies, consumer financing companies and asset management companies subject to oversight and audit by the Agency are 86.5%, 1.12%, 0.7%, 0.5% and 0.1%, respectively. In terms of the total assets; banks have grown by 16.1%, factoring companies by 6.9% and asset management companies by 17.4% whereas leasing companies have narrowed by 15% and consumer financing companies have narrowed by 30.5% as compared to the previous year.

Being responsible for the supervision and auditing of 89% of the finance industry that has a total asset size of TL 4.6 trillion, BRSA contributes to ensuring effectiveness in financial intermediation by making financial markets operate accurately and effectively under a reliable system.

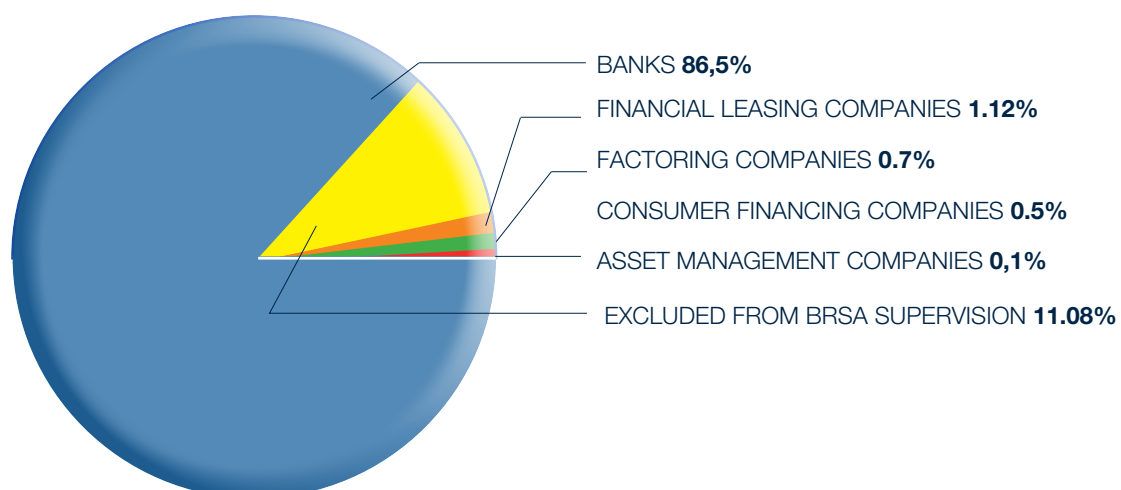


## Net growth rates for the institutions are;



LEASING COMPANIES	15%	narrowed by.
CONSUMER FINANCING COMPANIES	30.5%	

## Shares of Institutions Under BRSA Supervision in the Financial Sector







# MAIN FIGURES

# BRSA IN FIGURES IN 2019



**381**

NUMBER OF INSTITUTIONS  
SUBJECT TO SUPERVISION  
BY THE AGENCY



**571**

NUMBER OF  
AGENCY STAFF



**29**

NUMBER OF  
REGULATIONS



**1,167**

NUMBER OF  
SUPERVISION  
REPORTS



**568**

NUMBER OF  
RESOLUTIONS  
MADE BY THE BOARD





**1,398**

NUMBER OF SECTOR  
OVERSIGHT REPORTS



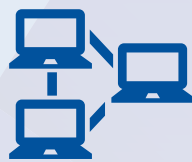
**509**

NUMBER OF BANK  
OVERSIGHT REPORTS



**338**

NUMBER OF PERIODICALS  
SHARED WITH THE PUBLIC



**15,590**

NUMBER OF  
EXTERNAL  
OFFICIAL LETTERS



**134,631**

NUMBER OF DENUNCIATIONS  
AND COMPLAINTS EVALUATED  
BY THE AGENCY



# VISION, MISSION & CORE VALUES



# Vision

## 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 in line with the Banking Law and other applicable regulations, that the credit system functions efficiently, that the rights and interests of savers are safeguarded, thereby contributing to the development of financial markets and financial stability.

# Mission

## 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.



# 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.

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

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

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

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

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



# BOARD ACTIVITIES



## BOARD ACTIVITIES

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

In 2019, 64 meetings were held by the Board and 568 decisions were made. Looking at the distribution of decisions, 64.4% of the total number of decisions are related to Board decisions on banks.

**Table 1: Outlook of Board Decisions**

Subject of Decision	Year 2018		Year 2019	
	Number	Percent	Number	Percent
Banks	336	63.6	366	64.4
Leasing, Factoring & Financing Companies	35	6.6	31	5.5
Independent Auditing Companies	64	12.1	53	9.3
Valuation/Rating/Support Service Institutions	12	2.3	12	2.1
Asset Management Companies	23	4.4	11	1.9
Payment Institutions & Electronic Money Institutions	1	0.2	4	0.7
Whether or Not to File a Criminal Complaint- Temporary Suspension of Signatory Power/Removal of Suspension	29	5.5	53	9.3
Administrative, Financial and Staff Procedures of the Agency	28	5.3	38	6.7
<b>TOTAL</b>	<b>528</b>	<b>100.0</b>	<b>568</b>	<b>100.0</b>



Multiple issues may be addressed in Board decisions. For instance, a decision on imposing administrative sanctions on a practice violating the legislation may at the same time specify whether any amendment is needed in the legislation on the same subject. Also, 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, 77 board decisions made by the Board in 2019 on permits refer to all decisions, whether or not affirmative.

Looking at the Board decisions by the distribution of subjects, we see that the top three include 53% on administrative fines, 13.6% on permit procedures, and 10.9% on regulation procedures.

**Table 2: Classification of Board Resolutions by Subject**

Subject of Decision	Year 2018		Year 2019	
	Number	Percent	Number	Percent
Regulatory Activities	86	16.3	62	10.9
Permission Activities	95	18.0	77	13.6
Administrative Fines	259	49.1	301	53.0
Revocation of Operating Licence or Revocation of Authorization	6	1.1	11	1.9
Whether or Not to File a Criminal Complaint-	29	5.5	53	9.3
Temporary Suspension of Signatory Power/Removal of Suspension				
Administrative, Financial and Staff Procedures of the Agency	28	5.3	37	6.5
Other	25	4.7	27	4.8
<b>TOTAL</b>	<b>528</b>	<b>100</b>	<b>568</b>	<b>100</b>





# ORGANIZATION CHART

## ORGANIZATION CHART

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

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

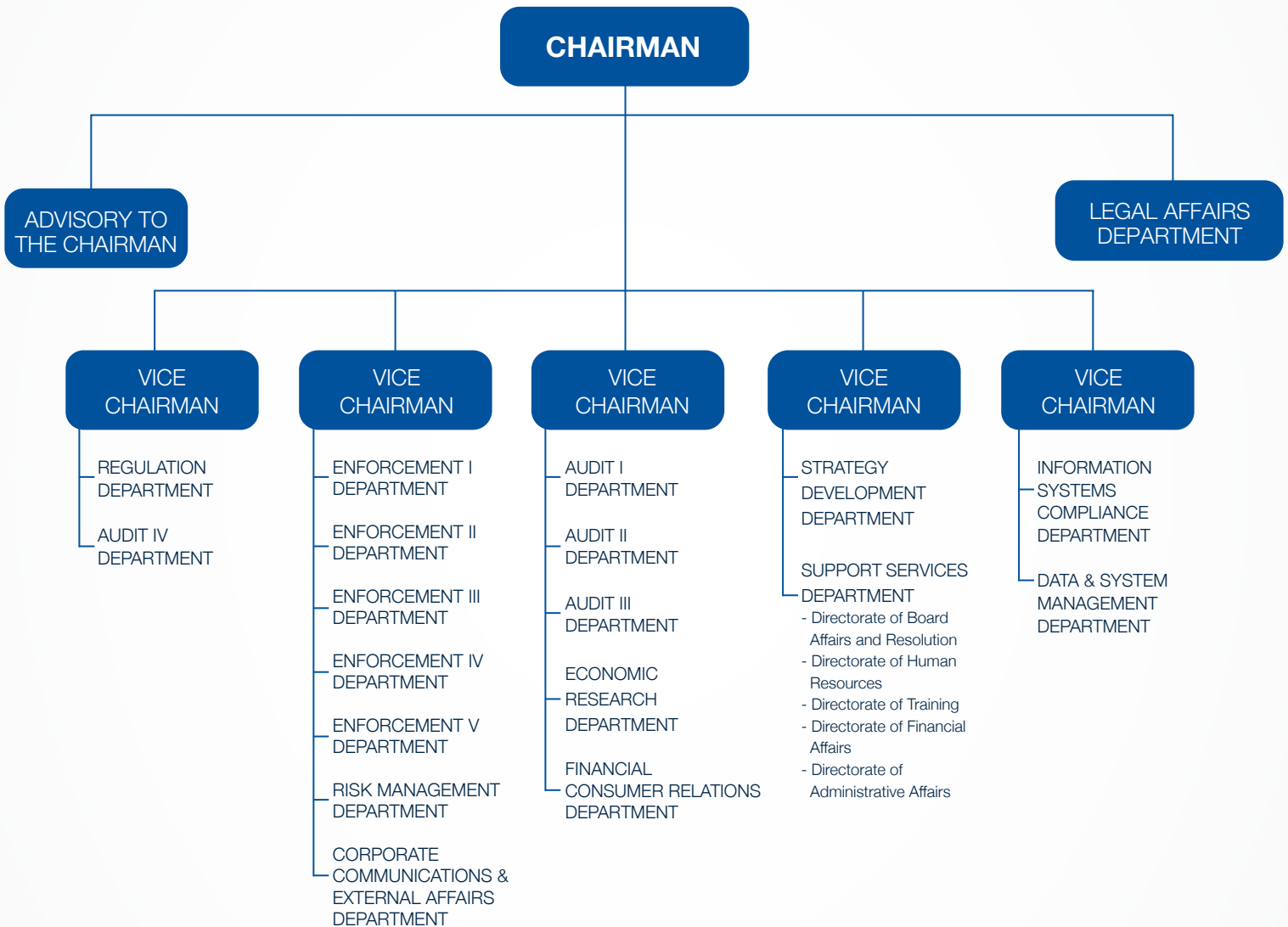
The Agency consists of the Banking Regulation and Supervision Board (Board) including the Chairman and the members and the Presidency Organization. The Chairman of the Board is the Chairman of the Agency. Chairmanship Organization consists of the Chairman, five Vice Chairmen and service units. Service 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 2019, the Agency has 19 departments. Departments of Support Services has five departments dealing with agency affairs and resolutions, human resources, training, financial affairs and administrative affairs. In addition, the audit departments 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 departments 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



\* The mentioned chart demonstrates the current organization structure.



# HIGHLIGHTS FROM ACTIVITIES



## ➤ National Risk Assessment (NRA) Project Working Group Activities

The Circular No. 2016/22 of the abolished office of Prime Ministry, 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 (FCIB) of the Ministry of Treasury and Finance in order to ensure that our country successfully completes the Financial Action Task Force (FATF) 4th Round of Mutual Assessment and fulfills its international obligations, and that the "Steering Committee" established under the Chairmanship of the Undersecretariat of the Ministry of Finance includes the Vice Chairman of the Banking Regulation and Supervision Agency (the Agency).

In this context, with the approval of the BRSA Presidency, the Agency participates in the working groups created under the coordination of FCIB in the FATF 4th Round evaluation process and provides technical support 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. In this context, the activities performed by the Agency in 2019 are as follows:

- Establishing the opinion of the Agency regarding the information requests received from FCIB about the sectors under the supervision and oversight of the Agency during the 4th Round of the Assessment process carried out by FATF for our Country and ensuring active participation,
- Performance of liability supervision in sectors under the supervision and oversight of the audit programs created within the scope of the Law No 5549 on "Prevention of Laundering Proceeds of Crime",
- Active participation in the working group meetings formed under the coordination of FATF and participating in the delegation activities to form a country view on the issue,
- Participation in the regulation and auditing activities of digital money and similar products under the name of virtual assets before FATF,
- Participation in the working groups for creating the local legal framework for digital money and similar products under the name of virtual assets,
- Participation in the forum of auditors organized by FATF with the participation of the supervisory authorities of member countries.

## ➤ ICAAP Legislation Update

The Agency regularly tracks international regulations and international good practices regarding the supervision of such regulations. In this context, one of the leading topics being tracked is the Supervisory Review Process (SREP) which is the Pillar II of the Basel II Consensus published by the Basel Committee on Banking Supervision (BCBS). In this context, it is very important that banks accurately execute the Internal Capital Adequacy Assessment Process (ICAAP), which can be expressed as ensuring that banks calculate the level of capital that meets the risks they are or could be exposed to in accordance with their risk profiles and strategies, and sustain their activities with a capital above these levels, and that the said processes of banks are audited. In this context, in consideration of the best international practices concerning Pillar II and the characteristics of the Turkish Banking Industry, works are in progress for the revision of the Regulation on the ICAAP Process and the Good Practices Guideline on ICAAP currently in force, under the approval of the Chairmanship and the coordination of the audit units of the Agency. As a result of the studies, the aim is to make the internal capital adequacy evaluation processes of banks more effective and increase compliance with the best international practices in this regard.

## ➤ Practices Regarding Information Systems

IS Compliance Department 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 regarding the audits, generated by independent auditing institutions.

Procedures and sample letter templates for information systems audit reports performed by independent audit institutions and the Agency staff were updated and implementation activities were carried out.



### **Published Regulations:**

#### **Communiqué on Management and Control of IT Systems of Leasing, Factoring and Financing Companies:**

The “Communiqué on Management and Control of IT Systems of Leasing, Factoring and Financing Companies” was prepared, which entered into force upon being published in the Official Gazette dated 06/04/2019 and numbered 30737. The principles on provision of the management system for IT systems as set forth by Leasing, Factoring and Financing Companies Law No. 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.

Companies operating under the Leasing, Factoring and Financing Companies Law No. 6361 utilize IT systems extensively as part of the services they offer and lack or ineffectiveness of controls over IT systems poses risks for companies, company customers and the financial system. Regarding activities related to IT systems and information security risks; the topics of having companies take the necessary measures by increasing the awareness of company managers, preventing complaints that customer data could leak outside companies and the loss of confidence in the industry resulting therefrom and accordingly, potential future financial and non-financial losses were evaluated. Accordingly, the Communiqué was prepared for IT systems used by leasing, factoring and financing companies.

The issues of management of IT systems, risk management of IT systems, information security, authorization and access control, authentication, creating audit trails, management of IT system assets, continuity plans of IT systems, purchase and management of outsourced services, confidentiality of processing information and independent audit of information systems were arranged with the Communiqué for IT systems used by leasing, factoring and financing companies. Furthermore, an arrangement was made for the use of cloud services regarding IT systems and issues on outsourcing of cloud services by companies were determined. The use of cloud services by companies together with the main partner of a company subject to the Law, its affiliate or the affiliates of the main partner on hardware and software by making a logical distinction between companies was made subject to permission by the Agency. The basis was prepared with the said regulation for organizations providing cloud service in the financial sector to develop and spread this service in the

Companies operating under the Leasing, Factoring and Financing Companies Law No. 6361 utilize IT systems extensively as part of the services they offer and lack or ineffectiveness of controls over IT systems poses risks for companies, company customers and the financial system.

context of the necessary security concerns and for establishing organizations that plan to provide new service in this field.

#### **Regulations with Preparatory Work in Progress:**

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 Agency 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 Principles Communiqué. Opinions about the Draft Regulation requested through official correspondence and received from internal units of the Agency, external public institutions, banks, independent audit companies and other relevant organizations in the industry, were evaluated.

Also, a workshop was held within the year to which banks were invited and the banks' opinions were evaluated and questions were answered about the Draft Regulation. Later on, a workshop was held with BAT on phone banking and the banks' opinions were evaluated and questions were answered about this topic. Furthermore, a workshop was held to which independent audit institutions were invited and the evaluations of independent audit institutions about the Draft Regulation were discussed in detail. Upon evaluating all the results and the opinions received from these workshops, the updates found to be suitable were realized and the Draft Regulation was finalized. The "Regulation on Information Systems and Electronic Banking Services of Banks" was published in the Official Gazette dated 15/03/2020 and numbered 31069 upon completing all the works.

Institutions which want to operate under the provisions of the "Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions" apply to the Agency for an operation 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 IS Compliance Department and an opinion is provided on the adequacy of IT systems with regards to the Law and the Payment Institutions Communiqué pursuant to "Communiqué on Management and Audit of IT Systems of Payment Institutions and Electronic Money Institutions". With the "Law on Amending the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and Certain Laws" numbered 7192, activities regarding payment and electronic money institutions are performed under the responsibility of CBRT as of 01/01/2020.

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 2019. 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 2019, we conducted assessments on IT systems within the scope of operating license applications and activity extension permit of organizations and the process was implemented

## The Agency tracks the cyber events in the banking industry as part of the Industrial Cyber Issues Intervention Teams' (SOME) activities.

in coordination with the Agency's internal units. After the IT reports submitted to the IS Compliance Department were subject to preliminary examination, 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 and on-site audits were performed with the Agency's internal units where necessary. On-site audits were performed at 3 payment institutions and 4 electronic money institutions in 2019. With the Payment Institutions Communiqué, organizations that started their operations after obtaining operating licenses in regards to the mandatory independent IT system audits were ensured to have participated in BADES, and reports of IT systems audits carried out by independent organizations in 2018 were carried out in 2019.

The Agency performs the regulation and supervision function for the banking industry, listed as one of the critical industries and monitors the cyber events in the banking industry within the scope of Industrial Cyber Issues Intervention Teams' (SOME) activities. 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. Accordingly, examination, surveillance and/or training activities were conducted regarding POS, ATM and card frauds. Leak tests for banks conducted in accordance with the Leak Test Circular and the bank operation and action plans for the related findings were monitored.

In order to prevent risks to the nation's cyber space and to increase the safety of our country, information received by the Agency from various sources throughout the year were immediately communicated to the banks' SOME teams. The actions taken by banks against such security risks and developments on the current state were monitored.

Notifications, requests and feedback were sent to institutions and organizations related with the matter.

The Cyber Cafe Event was organized on 27/03/2019 in cooperation with the Turkish Cyber Security Cluster created under the leadership of the Agency and the Presidency of Defense Industries of the Republic of Turkey Presidency in order to bring together representatives of the banking and cyber security industries and increase cooperation. Also, events such as summits and conferences on cyber security were participated to.

Works were conducted on tracking the development of financial technologies and fintech companies in the sectors under our responsibility, innovations in blockchain technologies, crypto currencies and other fields, tracking the approach of the European Union regarding open banking and APIs, and tracking the prominent issues in the fields of legislation, technology and business model in the payment services ecosystem of our country. Opinions were shared with both international institutions and other public authorities and contribution was made to the works by participating in meetings.

### ► Practices Regarding Data and System Management

In the context of the purpose to transfer public services into electronic medium with a citizen-oriented perspective and to increase the presentation and use of services on the e-Government Gateway as mentioned in the 11th Development Plan (2019 - 2023), works were conducted for offering various banking services quickly, uninterruptedly and securely through internet and mobile technologies.

In line with this objective, information was exchanged with various parties including the Republic of Turkey Presidential Digital Transformation Office, relevant units of the Agency, BAT and PBAT about legislative compliance, particularly the Banking Law no. 5411 and the Personal Data Protection Law no. 6698, technical infrastructure and processes, for determining the priority user needs and offering them through the e-Government Gateway.

As a result of the assessments, a decision was made to work on presenting information to citizens about which banks they have deposit and participation fund accounts and various process designs were developed and submitted to the agenda of the Banking Regulation and Supervision Agency. In the context of the Board Decision, the project was developed in consideration of the purposes of ensuring uninterrupted provision of the service to citizens and fast and secure

Works were conducted on tracking the development of financial technologies and fintech companies in the sectors, innovations in blockchain technologies, crypto currencies and other fields, tracking the approach of the European Union regarding open banking and APIs, and tracking the prominent issues in the fields legislation, technology and business model in the payment services ecosystem of our country.

transfer of the most up-to-date information to the applicant. Accordingly, the scope of the mentioned e-Government Gateway service was determined as providing information to the applicant about the banks where he/she has deposit or participation fund accounts, using the information “drawing-savings deposit accounts and special current accounts and participation accounts in terms of Turkish Liras, foreign currencies or precious metal deposit accounts that are savings deposits opened in domestic branches of banks for natural persons who are citizens of the Republic of Turkey”. The provision of service will be performed after the applicant approves a text providing information on the conditions of data provision and display of the query results.

In this context, the following activities were completed under the project:

- Preparing a guideline for banks, that explains in detail the scope of the data to be received from banks and the method to be used in sending contents and data,
- Creating the “e-Government System Monitoring” screen to be used by the Agency for the Service,
- Developing the infrastructure of the web application, FTP and web service methods that can be used as alternative to each other in reporting to ensure continuity in receiving data from banks,
- Supplying new equipment for increasing the technical capacity to be used in service provision,

- Taking additional measures to prevent any interruption in data provision through the e-Government Gateway,
  - Creating a reporting system based on the current system designs and infrastructures of banks, through which banks can report the most up-to-date data, to ensure that the most up-to-date data is present to the applicant,
  - Preparing the express consent statement required to be approved by the applicant so that the service can be provided,
  - Creating the e-Government Gateway page design through with the service will be provided,
  - Creating the screens to be published on the website of the Agency, on which restricted statements, statistical information and frequently asked questions and their replies will be published,
- . Furthermore, we plan to work towards;
- Signing an information exchange and cooperation protocol with the operator of the e-Government gateway in the context of the Regulation on the Procedures and Procedures of Providing the e-Government Services,
  - Checking the data compiled under the service with the Department General of Population and Citizenship Affairs – Identity Sharing System in order to increase data quality,
  - Updating the content of the “Complaint Application and Follow-Up” application currently being provided through the e-Government Gateway, to ensure that complaints and objections can be notified regarding user queries performed on the e-Government Gateway under the service.

After the service is commissioned, there is a plan to start works to develop an e-Government Gateway service where inheritors can query the banks in which testators have deposit and participation fund accounts, by making integration with the Republic of Turkey National Judiciary Informatics System (UYAP).

### ► Strategic Plan and Business Processes

The Fourth Strategic Plan of the Banking Regulation and Supervision Agency, covering the period of 2019-2021, was prepared to identify and carry out the critical steps for the effective fulfillment of the duties of 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 our 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. 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.

The corporate business processes of our Agency have been developed in coordination with our 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.

**The business processes of the Agency was developed in coordination with the relevant units for the purpose of achieving the corporate targets in the Strategic Plan, increasing managerial effectiveness and to create a dynamic structure.**



### ➤ Key Performance Indicators

As part of the works for transition to the “Program Budget System” in 2019, key performance indicators and targets for each indicator started to be determined for public authorities under certain programs and sub programs. The purpose of the “Program for Developing the Financial System and Banking”, created in this context, was determined as strengthening the financial system and stability and accelerating the development of the banking industry by increasing diversity, depth and spread in financial products and services. One of the targets set forth for this purpose constitutes realizing regulation, supervision, surveillance and implementation activities for financial markets, organizations and consumers, and our Agency has defined 12 quantitative performance indicators for this target. These include (1) capital adequacy ratio of the Turkish banking industry, (2) number of Stress Tests, (3) number of Credit Reports, (4) number of Outlook of the Turkish Banking Industry Reports, (5) number of Audit Reports on Notices and Complaints, (6) number of Financial Sector Commission meetings, (7) number of Coordination Committee meetings, (8) number of Board meetings, (9) number of Board Decisions, (10) training duration per staff, (11) Publication of the Annual Report and (12) the number of publications of the Journal of BRSA Banking and Financial Markets, and in addition to the basic durability indicators of the industry, it includes indicators regarding the main processes of our Agency such as auditing, surveillance, regulation, implementation, protection of financial consumers and public disclosure. The Agency achieved the relevant targets for all the performance indicators in 2019, which is the first evaluation period. The Agency will meticulously continue its efforts in the upcoming years to closely monitor the development of the mentioned indicators and to increase performance.





# **REGULATORY ACTIVITIES AND IMPACT ANALYSES**

## REGULATORY ACTIVITIES AND IMPACT ANALYSES

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 clause five of the Banking Law. Following the evaluation of such opinions and proposals, the final draft is submitted to the Board and the regulations and communiqués accepted by the Board are submitted to the Presidency to be published in the official gazette.

In 2019, 1 regulation and 1 new communiqué were put into effect, 22 regulations and 5 communiqués were amended.

### » Enacted Regulations

In 2019, 1 new regulation and 1 communiqué were put into effect, 22 regulations and 5 communiqués were amended.

**Table 3: Distribution of Enacted Regulations by Type**

Distribution of Enacted Regulations Based on Type	2018	2019
Law	-	-
Amendment of Law	-	-
Regulation	2	1
Amendment of Regulation	15	22
Communiqué	2	1
Amendment of Communiqué	2	5
Circular	-	-
<b>TOTAL</b>	<b>21</b>	<b>29</b>



## ➤ Regulations

➤ **Regulation on the Amendment of the Regulation on Bank Cards and Credit Cards (Official Gazette No. 30652 dated 11/01/2019):** It was arranged that the installment limit for goods and service purchases and cash withdrawals performed with credit cards, including splitting the debt into installments or the periods of deferring the payment in exchange for a certain fee, shall be determined by the Banking Regulation and Supervision Board (the Board) by receiving the opinion of the Presidential Strategy and Budget Department, the Ministry of Treasury and Finance and the Ministry of Commerce. In this context, with the Board Decision dated 11/01/2019 and numbered 8198, the installment limits and prohibitions arranged in clauses seven and eight of article 26 of the Regulation on Bank Cards and Credit Cards before the mentioned Regulation were determined in the same manner and also, the installment limit of three months has been increased to nine months in credit card television purchases with price up to three thousand Turkish Liras.

➤ **Regulation Amending the Regulation on Establishment and Operation Principles of Leasing, Factoring and Financing Companies (Official Gazette No. 30666 dated 25/01/2019):** The limit taken into consideration in proportion to the value of the vehicle in vehicle loans was increased from 100.000 Turkish Liras to 120.000 Turkish Liras.

➤ **Regulation Amending the Regulation Regarding the Credit Transactions of Bank (Official Gazette No. 30666 dated 25/01/2019):** The relations of the risk group including banks and the persons specified in clause one of article 50 of the Law with their banks was arranged, receiving a rating score from an authorized rating institution was made compulsory for credits with the scope to be determined by the Board, different credit collateral ratios were determined for houses with Energy IDs, credits loaned to public banks were excluded from the scope of the credit limit, the procedures and principles regarding the fund utilization methods of participation banks were changed, the limit taken into consideration in vehicle credits for determining the ratio of the credit amount to the value of the vehicle was changed and, limited to the current debt balances of credit cards that have been partially or fully paid as of the effective date of the amendment, the maturity limit of consumer credits loaned for paying credit card debts was increased to 60 months.

➤ **Regulation Amending the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies (Official Gazette No. 30673 dated 01/02/2019):** As part of the updates required to be made under TFRS 16 that entered into force on 01/01/2019, the lines regarding leasing transactions included in the financial statement formats enclosed to the mentioned Regulation were updated and various lines were removed from the statements to achieve simplification.

➤ **Regulation Amending the Regulation on Banks' Credit Transactions and Regulation Amending the Regulation on the Establishment and Operation Principles of Leasing, Factoring and Financing Companies (Official Gazette No. 30682 dated 10/02/2019):** The opportunity was provided for restructuring consumer credits with delinquent principal and/or interest payments before the effective date of the articles added with the regulations, up to maximum sixty months if requested by the debtor.

➤ **Regulation Amending of the Regulation on Banks' Permitted Transactions and Indirect Share Ownership (Official Gazette No. 30685 dated 13/02/2019):** It was arranged that finances provided under a financing partnership established in the framework of article 19 of the Regulation on Banks' Credit Transactions, are exempt from paragraph 7 of article 8 of the Regulation and, provided that the corporate management provisions and the protective provisions in the Law no. 5411 and the other issues specified in the body of the article are observed, 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 were made exempt from Board permission.

➤ **Regulation Amending the Regulation on Banks' Credit Transactions (Official Gazette No. 30691 dated 19/02/2019):** In accordance with the accounting and financial reporting standards specified by the Accounting and Auditing Standards Authority for companies subject to independent audit, amendment was made in article 8 and 11 of the Regulation for accepting financial statements audited

by independent auditors as account balance certificates that banks receive from their credit customer.

Provisions were added with the article 11/A added to the Regulation, regarding companies holding or to hold high credit debt in the industry, in order to ensure that banks obtain more detail information and certificates, that during the credit allocation stage, companies in the industry with total risk higher than TL 500 million and their group shall be obliged to submit to banks analysis statements containing confidence reports from independent audit companies and which contain data and ratios to be prepared based on past financial statements that were audited independently, containing items such as solvency, liquidity, exchange rate risk and profitability, for consolidated and/or non-consolidated financial statements that were audited independently depending on whether they are obliged to prepare consolidated financial tables.

With the article 11/B added to the Regulation, it was made compulsory for systemic important banks to prepare yearly industry analysis reports for the top 5 industries, except for retail loans where they experience credit concentration, and prepare and retain consolidated financial analysis reports for the top 50 risk groups.

➤ **Regulation Amending the Regulation on Banks' Credit Transactions and Regulation Amending the Regulation on the Establishment and Operation Principles of Leasing, Factoring and Financing Companies (Official Gazette No. 30698 dated 26/02/2019):** With the mentioned Regulation, the maturity of consumer credits were increased from 36 months to sixty months, the maturity of credits loaned for the purchase of vehicles with final invoice value less than or equal to TL 120.000 was increased from 48 months to 60 months, credits loaned for computer purchase was increased from 6 months to 12 months and the opportunity was provided for structuring consumer credits loaned before the effective date of the Regulations, up to maximum 60 months if requested by the debtor.

➤ **Regulation Amending the Regulation on Regulation on Methods and Principles on Banks' Accounting Procedures and Storage of Documents (Official Gazette No. 30733 dated 02/04/2019):** Considering that Banks send consolidated and non-consolidated financial statements to our Agency, the Banks Association of Turkey and the

Participation Banks Association of Turkey also in electronic format as of year ends and period ends, it was aimed to eliminate the obligations to send in printed format in order to achieve simplification in terms of the workload and cost incurred by preparing and retaining prints in this regard, eliminate the obligation to notify our Agency within seven days after publication of financial reports on the Official Gazette to prevent fining banks in cases where timely notification is not made.

➤ **Regulation Amending the Regulation on Donations and Aids Grantable by Banks and Organizations Subject to Consolidated Audit (Official Gazette No. 30757 and dated 27/04/2019):** Considering that in order to continue their activities in compliance with the principles of participation banking, it is a common practice for participation banks to use donations to dispose of certain revenues they acquire compulsorily due to the legislation and which do not comply with the professional principles and standards of participation banking, such as income accruals arising from using the required reserves kept by participation banks at the Central Bank; that, however, as such transactions could lead to problems in practice due to the restrictions imposed by the Law and the Regulation, and that carrying such revenues in the balance sheets could constitute a reputation risk, an arrangement was made to hold the such transactions of participation banks exempt from donation and aid limits.

➤ **Regulation Amending of the Regulation on Bank Cards and Credit Cards (Official Gazette No. 30800 and dated 13/06/2019):** With the Regulation, an amendment was made making it possible to set the minimum payment amount of credit cards up to 30% of the term debt, without making any distinction based on the credit card limit.

➤ **Regulation on Uniform Accounting Plan (Official Gazette No. 30849 dated 01/08/2019):** It was aimed to regulate uniform accounting plans as an exclusive Regulation rather than issuing as communiqués of the Regulation on Regulation on Methods and Principles on Banks' Accounting Procedures and Storage of Documents and the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies; and to have the Agency determine the accounting plan details to be used by banks

and companies and the explanations regarding them in accordance with the Turkish Financial Reporting Standards.

➤ **Regulation Amending the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies (Official Gazette No. 30849 dated 01/08/2019):** The Regulation on Uniform Accounting Plan published on the Official Gazette No.30849 dated 01/08/2019 and which entered into force on 01/01/2020, made possible as of the specified date to have Board decisions arrange uniform account plan communiqués, that were implemented by banks, participation banks and companies and issued as communiqués, and abolished paragraph four of article 4 that constitutes the basis for the Communiqué on Uniform Chart of Accounts and Prospectus to be Applied by Leasing, Factoring and Financing Companies.

➤ **Regulation Amending the Regulation on Regulation on Methods and Principles on Banks' Accounting Procedures and Storage of Documents (Official Gazette No. 30849 dated 01/08/2019):** The Regulation on Uniform Accounting Plan published on the Official Gazette No.30849 dated 01/08/2019 and which entered into force on 01/01/2020, set the principle, as of the specified date, of having Board decisions arrange uniform account plan communiqués, that were implemented by banks, participation banks and companies and issued as communiqués. The Regulation has abolished article 15 that constitutes the basis of uniform account plan communiqués implemented by banks and participation banks.

➤ **Regulation Amending the Regulation on Banks' Credit Transactions (Official Gazette No. 30860 dated 16/08/2019):** The limit of TL 500 million specified in article 11/A of the Regulation was reduced to TL 100 million. Regarding the issue of "raising corporate management standards" included in the program entitled "New Economy Program, Structural Transformation Steps 2019" announced to the public in April, 2019, in reference to the relevant regulations of the Capital Markets Board, it was made mandatory for banks to receive self-evaluations from companies under the scope regarding their corporate management structures and processes during the credit allocation stage.

➤ **Regulation on Restructuring of Debts to the Financial Sector (Duplicate issue of the Official Gazette No. 30886 dated 12/09/2019):** With article 17 of the Law No. 7186 dated 17/07/2019 on Amending the Income Tax Law and Certain Laws, in order to achieve compatibility between provisions of the Provisional article 32 added to the Banking Law no. 5411 and provisions of the Regulation on Restructuring of Debts to the Financial Sector, duplicate provisions in the Law were removed and articles were merged for simplicity and articles of the Regulation arranging the provisions on purpose and scope, basis, definitions and financial restructuring framework agreements were reviewed and amended in the context of the Law.

➤ **Regulation Amending the Regulation on Accounting Practices and Financial Statements of Leasing, Factoring and Financing Companies, Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them (Official Gazette No. 30961 dated 27/11/2019):** With the Law No. 7186 dated 17/07/2019 on Amending the Income Tax Law and Certain Laws, it was arranged that although credits written off due to impossibility of collection are considered as worthless receivables pursuant to paragraph three added to article 16 of the Leasing, Factoring and Financing Companies Law No. 6361, regarding credits tracked in the "Receivables Classified as Loss" account and for which lifelong expected credit loss provision or special provision was reserved due to the default of the debtor, the part for which there is no reasonable expectation remains for recovery shall be written off from the records under TFRS 9 as of the first reporting period.

➤ **Regulation Amending the Regulation on the Principles Regarding the Authorization and Activities of Rating Agencies (Official Gazette No. 30967 dated 03/12/2019):** The means were provided for Borsa İstanbul A.Ş. (BİST), Turkey Wealth Fund and other stakeholders outside BİST to take part as shareholders in the national rating agency.

➤ **Regulation Amending the Regulation Amending the Regulation on Equities of Banks (Official Gazette No. 30988 dated 24/12/2019):** The starting date was moved to 01/01/2022 from 01/01/2020 for not including general provisions in the calculation of contribution capital as part of maintaining prudent policies for keeping the equity structures of banks strong.

➤ **Regulation Amending the Regulation Amending the Regulation on Measurement and Assessment of Capital Adequacy of Banks (Official Gazette No. 30988 dated 24/12/2019):** It was foreseen to postpone to 01/01/2022 the starting date of the practice of deducting general provisions as well as special provisions from the value of the asset/receivable when calculating the amount constituting the basis of the credit risk in the standard approach, with start of taking general provisions into consideration in contribution capital.

## ➤ Communiqués

➤ **Communiqué Amending the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks (Official Gazette No. 30673 dated 01/02/2019):** With the TFRS 16 that entered into force on 01/01/2019, updates were made regarding the footnote explanations regarding the expected loss provisions allocated for non-cash credits under TFRS 9.

➤ **Communiqué Amending the Communiqué on Uniform Chart of Accounts and Prospectus to be Applied by Leasing, Factoring and Financing Companies (Official Gazette No. 30673 dated 01/02/2019):** Updates were made in the relevant accounts and certain issues causing doubt in practice were amended under the TFRS 16 that entered into force on 01/01/2019.

➤ **Communiqué on the Amendment of the Communiqué on Uniform Chart of Accounts and Prospectus to be Applied by Participation Banks (Official Gazette No. 30673 dated 01/02/2019):** Under the TFRS 16 that entered into force on 01/01/2019, updates were made in accounts related to loss provisions reserved for non-cash credits and financial assets whose fair value difference is reflected onto other comprehensive income under TFRS 9.

➤ **Communiqué on the Amendment of the Communiqué on Uniform Chart of Accounts and Prospectus (Official Gazette No. 30673 dated 01/02/2019):** Under the TFRS 16 that entered into force on 01/01/2019, updates were made in accounts related to loss provisions reserved for non-cash credits and financial assets whose fair value difference is reflected onto other comprehensive income under TFRS 9.

➤ **Communiqué Amending the Communiqué on the Calculation of Credit Risk Base Amount by means of Internal Rating Approaches (Official Gazette No. 30742 dated 11/04/2019):** Amendment were made in the explanations regarding the definition of default, calculation of losses in the event of default and prediction of transformation rations, that do not make any difference in the essence of the Communiqué but provide more proper expression for ensuring clarity and more comprehensibility for banks.

➤ **Communiqué on Compliance to the Principles and Standards of Interest-Free Banking (Official Gazette No. 30888 dated 14/09/2019):** Under paragraph ten of article 19 of the Regulation on Banks' Credit Transactions, published on the Official Gazette No. 26333 dated 01/11/2006, the procedures and principles were arranged regarding the structure and processes to be established by development and investments banks offering finance to their customer, for operating in compliance with the principles and standards of interest-free banking. In this context, the regulation covered the obligations of the said banks for creating advisory committees, interest-free banking compliance and audit activities and customer briefings.



## ➤ Regulations Drafted in 2019 and Enacted in 2020

### ➤ Law Amending the Banking Law No. 7222 and Certain Laws (Official Gazette No. 31050 dated 25/02/2020):

Amendments were made in the Banking Law No. 5411 that entered into force in 2005 to meet requirements that emerged with the development in banking and to comply with the best international practices. In this context, the latest update was made with the Law published on the Official Gazette dated 25/02/2020. The amendment aims to achieve compliance with the changes in international standards and principles, particularly the standards published by the Basel Committee on Banking Supervision. With the said law amendment, it is aimed to strengthen the corporate structures of factoring companies in addition to advancing the continuously developing participation, development and investment banking to higher levels, to implement access prohibition against unauthorized banking activities, to implement higher administrative fines to prevent violations or to establish deterrence in line with international practices regarding the banking industry, to impose administrative fines against manipulations and misleading transactions in financial markets as in EU directives and similar practices of other countries, to have banks with systemic importance automatically prepare and implement plans that include the measures they will take against negative developments that might occur in the future in line with their activities and their undertaken risks, in compliance with G20 decisions and practices of the European Union. Also, with the Law amendment, the definition of the important risk group was expanded in the group-based follow-up of credit risks of banks in order to make the definition of risk groups more effective, setting the principles to ensure that the risk groups comply with the standards published by the Basel Committee on Banking Supervision. In addition to making amendments in the law on issues of processing and transferring data considered as customer secret with the aim to eliminate any doubts that may exist in practice between the Personal Data Protection Law and the Law, it was also ruled that secret information shall not be transferred to domestic or foreign persons without the customer's request or instruction even, if the customer's express consent was received, in order to ensure that provisions of the Law No. 5411 are taken into consideration as special law provisions regarding transfer of secret data overseas, and also, the

Banking Regulation and Supervision Agency was authorized to prohibit overseas transfer of any data that is customer secret or bank secret following its assessment on economic security. The amendment also authorized the Board to take decisions on having banks keep the IT systems used for banking activities and their backups inside the country.

### ➤ Regulation Amending the Regulation on Purchase of Valuation Services by Banks and Authorization and Operation of Valuation Service Providers for Banks (Official Gazette No. 31003 dated 09/01/2020):

In consideration of the developments in the industry, the necessary amendments were made to ensure that the interventions encountered by valuation institutions when performing their activities is reduced, their independence is preserved and our Agency performs its implementation activities more effectively and soundly.

### ➤ Regulation Amending the Regulation on Banks' Credit Transactions and Regulation Amending the Regulation on the Establishment and Operation Principles of Leasing, Factoring and Financing Companies (Official Gazette No. 31008 dated 14/01/2020):

In order to provide speed and flexibility to the decision-making process regarding limitations regarding housing, vehicle and consumer credits arranged with article 12/A of the Regulation on Banks' Credit Transactions and article 11/A of the Regulation on the Establishment and Operation Principles of Leasing, Factoring and Financing Companies, the ability was provided to make changes in such limitations or to impose additional limitations with a Board Decision rather than a Regulation. On the other hand, maturity limit was decreased from six months to three months in credits loaned for the purchase of mobile phone purchase with price above three thousand and five hundred Turkish Liras.

### ➤ Regulation Amending of the Regulation on Bank Cards and Credit Cards (Official Gazette No. 31082 and dated 28/03/2020):

Amendments were made with the Regulation to allow the Banking Regulation and Supervision Agency to set the minimum payment amount in credit cards to be between twenty and forty percent of the term debt, by receiving opinion from the Ministry of Treasury and Finance and the Central Bank of the Republic of Turkey,

and to change the limitations specified in article 22 of the Regulation on Bank Cards and Credit Cards regarding credit card limits by receiving opinion from the Presidential Strategy and Budget Department and the Ministry of Treasury and Finance.

## ➤ Draft Regulations in Progress

➤ **Draft Regulation on Credit Concentration Limit:** The Draft Regulation on Credit Concentration Limit was prepared by taking into consideration documents concerning the Basel standard regarding the large credit limit, adopted by the Basel Committee on Banking Supervision (BCBS) in April 2014. This standard aims to limit the loss to be incurred by banks if a risk group defaults. The draft regulation foresees that credits to be loaned to any person or risk group considered as a concentration risk in the credit amount, are to be limited with the principal capital of the banks on a consolidated and non-consolidated basis, and sets the procedures and principles on how to calculate the risk amount to be used in this limitation.

➤ **Draft Regulation on the Calculation of the Net Stable Funding Rate of Banks:** 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:** In order to prevent potential risks that banks may be exposed to with the impact of leverage, in consideration of the Basel III reform recommendations set forth by the Basel Committee on Banking Supervision, the Regulation

on Measurement and Evaluation of Leverage Level of Banks, prepared as complementary to risk-sensitive capital calculation, was published on the Official Gazette No. 28812 dated 05/11/2013 and the reporting article of the Regulation entered into force on 01/01/2014 and all its articles entered into force on 01/01/2015. Certain amendments were made in the calculation of the leverage ratio of banks with the document "Basel III: Finalizing Post-crisis Reforms" of the Basel Committee on Banking Supervision published in December 2017. The mentioned amendments are, inclusion of security-guaranteed and commodity-guaranteed financing transactions for leverage ratio calculation in the calculation as an individual risk item rather than balance sheet assets in the context of various clarification criteria, deduction of special provisions in addition to general provisions from the risk amount of balance sheet assets and off-balance sheet transactions, 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, a new draft entitled 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 Evaluation of Capital Adequacy of Banks:** The need has arisen to amend Annex-2 of the Regulation on Measurement and Evaluation of the Capital Adequacy of Banks in order to ensure full compliance with Basel III. 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" 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.

## ➤ Major Board Decisions

➤ **Board Decision No. 8198 dated 11/01/2019:** With the amendment made on the Regulation on Bank Cards and Credit Cards that entered into force upon publication in the Official Gazette No. 30652 dated 11/01/2019, it was arranged that credit card installment limits shall be determined by the Banking Regulation and Supervision Board by receiving the opinion of the Presidential Strategy and Budget Department, the Ministry of Treasury and Finance and the Ministry of Commerce. In this context, with the Board Decision dated 11/01/2019 and numbered 8198, the installment limits and prohibitions arranged in clauses seven and eight of article 26 before the mentioned Regulation were determined in the same manner and also, the installment limit of three months was increased to nine months in credit card television purchases with a price up to three thousand Turkish Liras.

➤ **Board Decision No. 8199 dated 18/01/2019:** In the context of paragraph (vv) clause one of article 3 of the Regulation on Measurement and Evaluation of the Capital Adequacy of Banks published on the Official Gazette No. 29511 dated 23/10/2015, it was decided to set the turnover limit as TL 150 million (previous decision: TL 125 million) for domestic resident small and medium scale enterprises (SME) and in the context of paragraph (c) clause two of article 6 of the Regulation, to set the retail credit limit as TL 7 million (previous decision TL 5.5 million) for risks that can be classified as retail receivables.

➤ **Board Decision No. 8261 dated 25/02/2019:** A decision was made to increase the installment limits of credit cards from 6 months to 12 months for computer purchases excluding tablets and expenses related to transportation, from 9 months to 12 months in domestic expenses related to travel agencies and health and social services, and from 9 months to 12 months for the general installment limit of corporate credit cards.

➤ **Board Decision No. 8314 dated 27/03/2019:** With the Decision No. 8314 dated 27/03/2019 of the Banking Regulation and Supervision Agency, a decision was made to increase the installment limit to four months in expenses related to jewelry subject to installment prohibition, for those not in printed or bullion form.

➤ **Board Decision No. 8385 dated 12/06/2019:** A decision was made to increase the installment limit of credit cards from 12 months to 18 months in furniture purchases, from 3 months to 6 months in electronic appliance purchases, from 9 months to 12 months in television purchases up to three thousand and five hundred Turkish Liras, from 9 months to 12 months in domestic expenses related to airlines and accommodation, from 9 months to 12 months in tax payments, from 12 months to 18 months in electric appliance purchases and from 12 months to 18 months for the general installment limit of corporate credit cards.

➤ **Board Decision No. 8632 dated 24/10/2019:** A decision was made to increase the installment limit from four months to eight months in expenses related to jewelry not printed or in the form of bullion.

➤ **Board Decision No. 8738 dated 18/12/2019:** A decision was made that the sum of money swap, forward, option and other derivative transactions conducted by banks with foreign residents in the direction of future TL sale, where one side is in foreign currency and one side is in TL and has a term of seven days or less to the maturity date, shall not exceed 10% of their most recently calculated legal equities; the said ratio will be calculated on a solo and consolidated basis; in this respect, no transaction shall be conducted during the term interval with excess until the existing excess is eliminated; the calculation shall not include the derivative transactions that banks conduct with foreign credit institutions subject to consolidation and credit institution partners; derivative transactions with effective date later than the transaction date (forward effective date) shall be taken into consideration in the calculation as of the effective date; and option transactions shall be taken into consideration with their delta equivalent in the calculations. The aim of the mentioned Board Decision was, regarding derivative transactions of banks where they provide TL and receive foreign currency upon maturity, to reduce the concentration of such transactions during certain terms, thereby decrease the volatility on financial variables that could be caused by concentration and support financial stability.

➤ **Board Decision No. 8791 dated 09/01/2020:** A decision was made to reduce credit card installment limits from six months to three months for expenses made overseas regarding airlines, travel agencies and accommodation.

➤ **Board Decision No. 8860 dated 08/02/2020:** A decision was made to implement the ratio that was previously set as 25% with the Board Decision No. 7929 dated 12/08/2018 and the decision taken thereafter, of the sum of money swap, forward, option and other derivative transactions conducted by banks with foreign residents in the direction of future TL purchase, where one side is in foreign currency and one side is in TL and has a term of seven days or less to the maturity date, to their most recently calculated legal equities, as 10%.

## ➤➤ Impact Analyses

As part of the impact analysis study prepared pursuant to clause six of article 101 of the Banking Law No. 5411,

numerical analysis results are presented for measurable arrangements and the assessments made in the context of expert opinions are presented for other arrangements. On the other hand, the Report does not include impact analyses on decisions on individual organizations or persons and decisions and sub-regulations considered to be under the scope of article 73 of the Banking Law No. 5411.

➤ **Impact Analysis of the Regulation Amending the Regulation on Banks' Credit Transactions published on the Official Gazette No. 30666 dated 25/01/2019 and to enter into force on 01/01/2020:** The credit amount of companies with a total risk greater than or equal to TL 500 million in the industry is TL 890 billion as of 2018, which corresponds to 32% of the total risks in the same period (TL 2,505 billion). The ratio of the risks of the top 50 risk groups (TL 549 billion) in the banking industry to the total credits (TL 2,587 billion) was calculated as 21% as of September 2018. The Regulation amendment is expected to impact customers that use the credits under this scope.

➤ **Impact Analysis of the Regulation Amending the Regulation on Banks' Credit Transactions published on the Official Gazette No. 30666 dated 25/01/2019 and to enter into force on 01/01/2020:** The scope of real sector companies obliged to provide detailed financial information to banks was expanded by reducing the limit of TL 500 million to TL 100 million. The number of customers with total cash performing loans greater than or equal to TL 100 million was 2,128 as of February 2019 and corresponds to approximately 47% of the total credits. Real sector companies requesting to loan significant amount of credits are expected to increase their corporate governance qualities with the self-assessment to be conducted corporate governance.

➤ **Impact Analysis of the Regulation Amending the Regulation on Banks' Credit Transactions published on the Official Gazette No. 30666 dated 25/01/2019 and to enter into force on 01/01/2020:** The fund-raising methods of participation banks have been diversified with the mentioned regulation. Also, development and investment banks have been authorized to give interest-free funds, exclusive to the sources they acquired through interest-free methods. Quantitative analysis cannot be conducted as the effective date of the regulation is 01/01/2020 and the financial data



for this period has not yet been reported by banks to our Agency. However, it is considered that the potential impact of the regulation will be to increase the credit volumes of participation banks and development and investment banks.

➤ **Impact Analysis of the Communiqué Amending the Communiqué on the Calculation of Credit Risk Base Amount by means of Internal Rating Approaches published on the Official Gazette No. 30742 dated 11/04/2019:** As there is currently no bank that has obtained permission from our Agency for calculating the credit risk base amount for capital adequacy calculations based on internal rating, the Communiqué is de facto not implemented although in force.

➤ **Impact Analysis of the Communiqué on Compliance to the Principles and Standards of Interest-Free Banking published on the Official Gazette No. 30888 dated 14/09/2019:** With the mentioned regulation it was aimed to include in the regulation and standardize the structures and processes established and/or to be established for operating in compliance with the principles and standards of interest-free banking by development and investment banks providing finance to their customers under clause ten of article 19 of the Regulation on Banks' Credit Transactions published on the Official Gazette No. 26333 dated 01/11/2006. Although it is not possible to quantize the impact of the regulation, it is expected to have a positive impact on the perception of interest-free banking in our country.

➤ **Impact Analysis of the 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 published on the Official Gazette No. 30569 dated 18/10/2018:** With the mentioned regulation, fund-raising by participation banks through participation accounts based on investment proxy have been included in the scope of the regulation. With the entry into force of the regulation, participation banks have collected TL 17.3 billion additional funds through their participation funds based on investment proxy. In this respect, the balance of participation accounts increased by 23% from TL 156 billion to TL 203 billion with the positive impact of the regulation amendment.

➤ **Impact Analysis of the Communiqué Amending the Communiqué on Uniform Accounting Plan and the Prospectus Applicable to Participation Banks published on the Official Gazette No. 30569 dated 18/10/2018:** With the mentioned regulation it was aimed to achieve compatibility between the amendments made on Regulation on the Procedures and Principles Regarding Deposits, Participation Funds, Deposits and Receivables Subject to Acceptance, Withdrawal and Timeout of Deposit and Participation Fund and the Regulation on Banks' Credit Transactions, and the Uniform Accounting Plan. The arrangement has no quantitative impact.

➤ **Impact Analysis of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for Them published on the Official Gazette No. 30569 dated 18/10/2018:** With the mentioned amendment, the practice of profit balancing reserve of participation banks has been removed from the scope of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for Them and has been arranged under 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, as the said practice is a transaction regarding participation accounts. The arrangement has no quantitative impact.



# 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 financial and non-financial risks encountered by institutions, analysis of financial strength, supervision of the level of compliance with the Law and the applicable legislation, detection of problems and vulnerabilities through reports and analyses of the supervision unit regarding these organizations, 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. Under the mentioned Regulation, activities regarding the audit process are continued based on the audit guideline and good practice guideline.

The supervision tasks assigned to the Agency with the applicable legislation are performed by the Board, Chairmanship, Second Chairmanship, Departments 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 audit guidelines, good practice guidelines and risk-focused auditing approach drafted on the basis of international practices. The risk-focused auditing approach ensures determining the scope, scale, duration, content and intensity of the audit to be performed based on the features complementing and exceeding the information obtained from financial statements for being dynamic, forward-looking, effective and prudent and determining the risk levels

of organizations. The 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. It is thus possible to set forth a significant information source for determining the ideal amount of capital to be retained for each risk by making a classification based on the risks exposed to by 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, 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,
- Supervision conducted during the authorization process of rating companies,
- Supervising the payment institutions and electronic money institutions subject to Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions<sup>1</sup>,
- 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, FCIB and other relevant institutions and organizations

<sup>1</sup> The authority and responsibilities of the Agency regarding the mentioned legislation were transferred to the Central Bank of the Republic of Turkey at the start of 2020 in the context of the provisions of the Law No. 7192 that entered into force upon publication on the Official Gazette No. 30956 dated 22/11/2019.



The supervision tasks assigned to the Agency with the applicable legislation are performed by the Board, Chairmanship, Second Chairmanship, Departments and group managers operating under them as well as professionals assigned to temporary and/or stable audit teams.

Good practice guidelines are issued to guide banks on various issues, particularly risk management frameworks, and to inform banks 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 it suits the characteristics of Turkish banking industry, and compliant with the latest developments and best practices in banking audits. The most recent study was completed by the end of 2016, and auditing guidelines that were updated based on auditing approach recommendations set forth in 2016 Financial Sector Assessment Program (FSAP) Report conducted within the IMF were put into force in 2017 upon approval of the Agency Presidency.

The audit cycle shaped in the context of risk-focused auditing approach consists of successive processes and the diagram of the said process has been shown below and the description of each process has been specified in the upcoming section.

**Figure 2: Supervision Cycle**



**Determination of Supervision Strategy:** At the first stage of on-site supervision within the scope of risk-focused auditing approach, 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, various exposed risks, balance sheet size etc.) by the Audit I, II and III Department Heads chaired by the Vice 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 Chairmanship.

**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; ICAAP (Internal Capital Adequacy Assessment Process) report; independent audit reports; internal systems reporting to the Agency and various data sources, 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, the audit teams draft 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

Audit plans are prepared by the Group Manager with the assistance of Audit Group members and submitted to the approval of the Presidency upon confirmation of the Department Head and Vice 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 professional staff 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 in the said plans 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 ICAAP reports. The rating system consists of six main CAMELS 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 UAP and Turkish Accounting Standards is also evaluated.

In accordance with the Basel regulations, the inspection of ICAAP, which includes self-assessments of internal capital adequacy levels of banks, and the Auditing Authority's

Review and Audit Process (RAP) are carried out within the CAMELS rating process. In short, with the CAMELS report a rating is assigned to the concerned organization in the context of various qualitative and quantitative rating criteria and with this rating, organizations become comparable with each other and with the ideal situation in terms of financial strength.

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

**Supplementary and Thematic Reviews** Upon completion of CAMELS Rating and Risk Assessment processes, the policies and processes on legislative compliance 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 FCIB regulations and audit findings and notification-complaint reviews were completed.

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.

**Table 4: Institutions Under Supervision\***

Organization Type	2013	2014	2015	2016	2017	2018	2019*
Banks	51	51	52	52	52	53	53
Deposit Banks	32	32	32	32	32	32	32
Participation Banks	4	4	4	5	5	6	6
Development and Investment Banks	13	13	13	13	13	13	13
Banks under SDIF	2	2	3	2	2	2	2
Non-Bank Financial Institutions	122	119	107	101	99	95	94
Leasing Companies	33	30	29	26	25	23	23
Factoring Companies	76	77	66	61	60	58	56
Financing Companies	13	12	12	14	14	14	15
Other Organizations	223	230	246	351	357	370	234
Asset Management Companies	11	10	13	15	15	19	20
Independent Auditing Companies	42	39	39	119	125	125	38**
Rating Companies	1	1	1	1	1	1	1
Valuation Companies	114	123	127	129	130	133	134
Representative Offices Of Foreign Banks	47	48	48	47	46	44	41
Financial Holding Companies	3	3	3	2	0	0	0
Payment Institutions	0	0	5	25	29	34	0
Electronic Money Institutions***	0	0	4	7	11	14	0
Other	5	6	6	6	0	0	0
<b>Total</b>	<b>396</b>	<b>400</b>	<b>405</b>	<b>504</b>	<b>508</b>	<b>518</b>	<b>381</b>

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

\*\* As the responsibilities regarding Payment Institutions and Electronic Money Institutions were transferred to CBRT at the start of 2020, only institutions that provide independent auditing service to banks are included.

\*\*\* Responsibilities regarding Payment Institutions and Electronic Money Institutions were transferred to the Central Bank of the Republic of Turkey at the start of 2020 in the context of the provisions of the Law No. 7192 that entered into force upon publication on the Official Gazette No. 30956 dated 22/11/2019.

## ➤ Audit Results

As a result of the audits carried out by the audit teams under the Vice Chairmanship in charge of Audit in 2019; a total of 285 reports, 19 Risk Analysis Opinions and 379 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 2019 with the previous year.

ICAAP included in Basel Capital Accord Pillar II is a detailed evaluation process regarding the bank's risks arising from its internal activities.

**Table 5: Supervision Reports**

Subjects	2018	2019
Risk Analysis Opinion	16	19
Financial Structure and Rating Report	22	20
Inspection of Legislation	86	84
Notifications and Complaints	105	111
Inspection of Domestic Branches	2	5
Inspection of Legislation Applicable to Other Finance Institutions	14	11
Inspection on Notifications and Complaints on Other Finance Institutions	30	52
Opinions*	367	379
Other	1	2
<b>Total</b>	<b>643</b>	<b>683</b>

\* 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 (ICAAP) Review

ICAAP included in Basel Capital Accord Pillar 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 exposed risks and submits the ICAAP reports to the Agency as of the end of the year. In this context, stress test scenarios were created under ICAAP and banks chosen from the 2018 end-of-year ICAAP reports prepared and submitted to the Agency by Turkish banks were reviewed in terms of contents and format by the Risk Management Departments and finally report containing the assessments and evaluations was prepared.



### Other Activities

- The comprehensive audit started at the end of 2018 on four large-scale banks were continued, for ensuring the competency and standardization of risk management systems in banks and for evaluating the effectiveness and legislative compliance of liquidity risk and credit risk management and capital adequacy calculation methods. In this context, the report on liquidity risk was completed and the relevant banks were instructed in this regard. The drafting process is continuing for the report regarding the effectiveness and legislative compliance of the credit risk management and capital adequacy calculation methods.
- A BHFOR (Interest Rate Risk Arising from Banking Accounts) quantitative impact analysis study has started being conducted for 19 banks selected based on asset size.
- A quantitative impact analysis study has started being conducted for credit risk and operational risk under the Basel-III Reforms for 13 banks selected based on asset size.
- A preliminary application review was made for one bank within the scope of calculating the credit risk base amount by way of internal rating approaches.
- In the TFRS 9 process, detailed examinations were made exclusively on the individual provision reservation policies of 4 large-scale banks; a report was prepared in this context instructing the banking industry.
- .Under clause seven of article 63 of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Processes, banks were instructed through BAT and PBAT for the purpose of eliminating the deficiencies identified in the stress test practices of banks with the examination of the 2018 Stress Test Reports sent by banks to our Agency and for developing stress test reports throughout the industry.
- 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.

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.

- Requests for opinions and evaluations from G20-related institutions were answered.
- We have participated in the international quantitative impact study conducted by BCBS every six months with three bank data.
- In-house studies were coordinated regarding the BCBS and the Financial Stability Board (FSB).
- Central and Eastern European Banking Audit Group (BSCEE) activities were coordinated.

## ➤ Information Systems Audit

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, five special comprehensive audits and the activity permit audit of one organization were performed. Independent audit institutions started periodic IT system audits of payment and electronic money institutions in addition to banks in 2018 and have been issuing independent audit reports regarding these two industries for two years.

Within the scope of information systems evaluation and implementation activities, administrative fines were imposed on 32 deposit and participation banks, 8 development and investment banks, 1 information exchange institutions, 5 electronic monetary institutions and 2 payment institutions due to non-compliance with the information systems legislation. The distribution of the total of 370 separate articles for which administrative fines were imposed, are presented below.

Within the framework of the Information Systems Audit Guide, which was prepared by the personnel of the Agency for auditing IT systems, five special comprehensive audits and the activity permit audit of one organization were performed.

- 203 of them to deposit and participation banks
- 44 of them to development and investment banks
- 2 of them to information exchange organizations
- 82 of them to electronic money institutions
- 39 of them to payment institutions

**Table 6: Information Systems Audit Report**

Scope of Audit	2018	2019
1. Performed by Independent Audit Institutions		
Information Systems	29	4
Information Systems + Banking/Business Processes	5	49
Banking/Business Processes	49	5
Information Systems + Banking Processes (Consolidated-Audit)	22	25
2. Performed by Agency Staff		
Scheduled Audit	-	-
Special Scope	3	5
Operation License	1	1
<b>TOTAL</b>	<b>109</b>	<b>89</b>

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 web site, data provided by other institutions within the frame of bilateral agreements, audit reports and other internal/external information sources as well as the risks and analyzing them within the frame of macroeconomic developments and policies. 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 Department 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 Departments were collected under Audit IV Department 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 Chairmanship 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 papers for each bank, the banks and the legal limits set forth by the regulations are closely monitored with quarterly, monthly, weekly and daily reviews with a risk-based approach. Financial performances of banks are compared and their position within the system is considered through bank-based rating/sorting activities and bank-based detailed industrial reports.

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 the reports issued by national and international research institutions about Turkey and the decisions and statements of competent authorities,
- Submitting of information and analysis findings to senior management

were performed.

In 2019, a total of 509 bank reports consisting of 32 quarterly reports, 244 legal limits reports and 233 monthly ratio reports were prepared as part of bank oversight activities.

**Table 7: Bank Oversight Reports**

<b>Bank Oversight Reports</b>	
Quarterly Oversight Report	32
Legal Limits Report	244
Monthly Ratio Report	233
<b>Total</b>	<b>509</b>

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

**Table 8: Sector Reports**

<b>Sector Reports (*)</b>	
Weekly Presentation	51
Weekly Agency Meeting Presentation	51
Turkish Banking System Key Indicators Presentation	12
Turkish Banking System Key Data Report	12
Credits Report	4
Stress Test Report and Presentation	19
Deposit and Participation Funds Development Monitoring Report	105
Daily Commercial Loan-Deposit Interest Follow-up Study	334
Daily Credit Realization Follow-up Study	164
Derivative Transactions Progress Follow-up Report	530
KKB Report on Individual Loan Rating Results	1
Small-Scale Foreign Banks Oversight Report	1
Development and Investment Banks Oversight Report	1
Non-Bank Financial Institutions Report	1
Other Reports, Presentations and Studies	112
- Public Private Partnership Report	2
- Study on Company/Group Risks with High Credit Debt	1
- Information Note on Turkish Banking Sector Developments	2
- Report / Presentation on the Effects of the New Provisioning Regulation and TFRS 9	2
- The Study on the Development and Performance of Treasury Guarantee Loans	2
- Impact of Rating Decrease of DPR Transactions on the LKOs of Banks	1
- Turkish Banking Industry Exchange Rate Risk and Derivative Transactions Report	1
- Credit Loan Details	8
- Receivables from Foreign Banks	11
- Non-Performing Credits	10
- Indication-Indexed Credits and Deposits	42
- Presentations to Local and International Organizations	30
<b>Total</b>	<b>1,398</b>

(\*) 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.

In this framework, a total of 1,398 reports, information notes and presentations were prepared in 2019. 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.





# ENFORCEMENT ACTIVITIES



# ENFORCEMENT ACTIVITIES

## ➤ Permission and Authorization Activities

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

In this framework;

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

Furthermore,

- The procedures for authorization of institutions to provide valuation, rating and independent audit services to banks, and the establishment and operation permit applications filed by asset management companies are concluded,
- Whether the executive board members, general managers and deputy general managers to take office in the above-mentioned institutions bear the required qualifications is evaluated,
- Authorization procedures are carried out for institutions covered by 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. (Responsibilities regarding Payment Institutions and Electronic Money Institutions were transferred to the Central Bank of the Republic of Turkey at the start of 2020 in the context of the provisions of the Law No. 7192 that entered into force upon publication on the Official Gazette No. 30956 dated 22/11/2019.)

## ➤ Establishment & Operation Permits and Authorization Procedures

In 2019, 1 investment bank and 2 asset management companies were granted with incorporation licenses, 1 participation bank, 1 factoring company, 1 financing company, 3 asset management companies, 3 payment institutions and 3 electronic money institutions were granted with operating licenses. 6 valuation companies were authorized to perform valuation and 1 independent audit institution was authorized to audit banks.

In 2019, 1 investment bank and 2 asset management companies were granted with establishment licenses, 1 participation bank, 1 factoring company, 1 financing company, 3 asset management companies, 3 payment institutions and 3 electronic money institutions were granted with operation licenses.

**Table 9: Establishment & Operation Permits and Authorization Procedures**

Name of Company	Date and Number of the Board Resolution	Type of Procedure
Dizayn Gayrimenkul Değerleme ve Danışmanlık A.Ş.	21/02/2019 / 8255	Valuation License
Tradewind Faktoring A.Ş.	21/02/2019 / 8256	Operation
Türkiye Emlak Katılım Bankası A.Ş.	26/02/2019 / 8262	Operation
ODE Gayrimenkul Değerleme ve Danışmanlık A.Ş.	07/03/2019 / 8284	Valuation License
Tronapay Ödeme Hizmetleri A.Ş.	04/04/2019 / 8320	Operation
Türk Finansman A.Ş.	04/04/2019 / 8321	Operation
Doğru Varlık Yönetim A.Ş.	04/04/2019 / 8322	Operation
Dünya Varlık Yönetim A.Ş.	18/04/2019 / 8329	Establishment
Adil Varlık Yönetim A.Ş.	18/04/2019 / 8330	Establishment
Golden Global Yatırım Bankası A.Ş.	16/05/2019 / 8369	Establishment
Gordion Taşınmaz Değerleme ve Danışmanlık A.Ş.	16/05/2019 / 8370	Valuation License
Sipay Elektronik Para ve Ödeme Hizmetleri A.Ş.	25/07/2019 / 8465	Operation
Western Union Turkey Ödeme Hizmetleri A.Ş.	25/07/2019 / 8466	Operation
Denge Varlık Yönetim A.Ş.	22/08/2019 / 8506	Operation
Erpa Ödeme Hizmetleri ve Elektronik Para A.Ş.	22/08/2019 / 8508	Operation
Dönüşüm Gayrimenkul Değerleme ve Danışmanlık A.Ş.	29/08/2019 / 8511	Valuation License
Adil Varlık Yönetim A.Ş.	29/08/2019 / 8513	Operation
Ozan Ödeme Hizmetleri ve Elektronik Para A.Ş.	06/09/2019 / 8538	Operation
Alesta Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	17/10/2019 / 8607	Valuation License
Aksis Uluslararası Bağımsız Denetim A.Ş.	28/11/2019 / 8696	Independent Auditing License
Paragram Ödeme Hizmetleri A.Ş.	26/12/2019 / 8751	Operation
Özen Taşınmaz Değerleme ve Danışmanlık A.Ş.	26/12/2019 / 8753	Valuation License

On the other hand, the operating licenses of 4 factoring companies, 1 leasing company, 2 asset management companies and 1 payment institution were revoked and the license of 2 valuation institutions to provide valuation service to banks and 1 independent audit institution to conduct independent audits in banks was revoked due to various reasons.

**Table 10: Revoke of Operation Permissions and Authorizations**

Name of Company	Date / Number of Board Resolution	Grounds for Cancellation
Eren Faktoring A.Ş.	01/02/2019 / 8226	Own request
Merkez Faktoring A.Ş.	15/02/2019 / 8242	Paragraphs (c) and (e) of Clause 1 Article 50 of the Law No. 6361
Ziraat Finansal Kiralama A.Ş.	28/02/2019 / 8276	Own request
Strateji Faktoring A.Ş.	03/05/2019 / 8350	Own request
Bilgi Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.	30/05/2019 / 8381	Own request
Respa Gayrimenkul Danışmanlık ve Değerleme A.Ş.	04/07/2019 / 8433	Based on the CMB Decision
Analiz Faktoring A.Ş.	10/10/2019 / 8596	Failure to fulfill the conditions specified in paragraph (d) of Clause 1 Article 6 of the Law No. 6361 and paragraph (e) of Clause 1 Article 50
Çağkan Gayrimenkul Değerleme ve Danışmanlık A.Ş.	08/11/2019 / 8651	Based on the CMB Decision
Merkez Varlık Yönetim A.Ş.	28/11/2019 / 8695	Own request
Buradaöde Ödeme Kuruluşları A.Ş.	05/12/2019 / 8700	Paragraphs (ç) and (e) of Clause 1 Article 16 of the Law No. 6493
Deren Varlık Yönetim A.Ş.	26/12/2019 / 8752	Merger and Acquisition

As of the end of 2019, 11 permit and authorization requests are being evaluated by the Agency.

**Table 11: Permissions and Authorization Requests Under Evaluation**

Type of Company	Type of Procedure	Number
Bank	Establishment/Operation License	6
Financing company	Activity	1
Asset management company	Establishment / Operation	3
Valuation institution	Authorization	1



## ➤ Permissions for Share Transfer, Merger and Division

In 2019, various permits for share transfer were granted for institutions covered by the Banking Law No. 5411, through Board decisions detailed below, within the framework the provisions of applicable legislation.

**1-** With the Decision No. 8757 dated 26/12/2019 of the Banking Regulation and Supervision Board, as a result of the examination and assessment conducted in the context of the information and certificates received under article 18 of the Law and article 11 of the Regulation on Banks' Permitted Transactions and Indirect Share Ownership, decision was taken to grant permission to;

- In the context of clause one of article 18 of the Law; Decrease the direct share of Koç Finansal Hizmetler in the capital of Yapı ve Kredi Bankası A.Ş. from 81.90% to 40.95% and increase the direct share of UniCredit S.P.A in the capital of the Bank from 0% to 31.93%,
- In the context of clause six of article 18 of the Law; Decrease the direct share of UniCredit S.P.A in the capital of Koç Finansal Hizmetler from 50% to 0% and increase the direct share of Koç Holding A.Ş. in the capital of Koç Finansal Hizmetler from 42.26% to 84.53%.

**2-** With the Decision No. 8353 dated 03/05/2019 of the Banking Regulation and Supervision Board, as a result of the examination and assessment conducted in the context of the information and certificates received under article 18 of the Law and article 11 of the Regulation on Banks' Permitted Transactions and Indirect Share Ownership, decision was taken to grant permission to;

- In the context of clause one of article 18 of the Law; As a result, Arab Bank Switzerland LTD. (Arab Bank Switzerland) transferring its shares in Turkland Bank A.Ş. to Arab Bank Plc., which holds 33.33% in the Bank, decrease the direct share of Arab Bank Switzerland in the Bank from 16.67% to 0%,
- In the context of clause six of article 18 of the Law; As a result of the transfer transaction conducted in the stock exchange, resulting in decreasing the indirect shareholding of Saadeddin Hariri in Arab Bank Plc. and Arab Bank Switzerland from 17.85% to 0% and the indirect shareholding of Saudi Oger Ltd. in Arab Bank Plc and Arab Bank Switzerland from 19.83% to 0%'a, decrease the direct shareholding share of Oger Middle East Holding Sal. in Arab Bank Plc. Arab Bank Switzerland from 19.83% to 0%.

**3-** With the Decision No. 8426 dated 27/06/2019 of the Banking Regulation and Supervision Board, as a result of the examination and assessment conducted in the context of the information and certificates received under article 18 of the Law and article 11 of the Regulation on Banks' Permitted Transactions and Indirect Share Ownership, decision was taken to grant permission to;

- In the context of clause six of article 18 of the Law; With the result of decreasing the share of the Central Bank of Russia in Denizbank to 0% and have no remaining shares and the Investment Corporation of Dubai indirectly holding 55.67% of the Bank shares, transfer the 99.85% shares of Sberbank of Russia (Sberbank) in the Bank directly to ENBD and decrease the direct share of Sberbank in the Bank to 0%,
- Pursuant to article 11 of the Leasing, Factoring and Financing Companies Law No. 6361, ENBD to hold indirect share in Deniz Faktoring A.Ş. and Deniz Finansal Kiralama A.Ş.

**4-** With the Decision No. 8672 dated 14/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to decrease the share of Albaraka Türk Katılım Bankası A.Ş.'s main shareholder Albaraka Banking Group in the Bank to below 50% as foreseen as a result of the capital increase through public offering, provided that Albaraka Banking Group gives a purchase commitment for share certificates not sold in the public offering, pursuant to clause one of article 18 of the Banking Law No. 5411.

In 2019, various permits for share transfer were granted for institutions covered by the Banking Law No. 5411, the Leasing, Factoring and Financing Companies Law No. 6361 and the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions through Board decisions detailed below, within the framework the provisions of applicable legislation.

**5-** With the Decision No. 8210 dated 18/01/2019 of the Banking Regulation and Supervision Board, without prejudice to other relevant legislative provisions, decision was taken to grant permission to transfer Ziraat Finansal Kiralama A.Ş. to Ziraat Katılım Bankası A.Ş. pursuant to article 12 of the Leasing, Factoring and Financing Companies Law No. 6361 and article 9 of the Regulation on the Establishment and Operation Principles of Leasing, Factoring and Financing Companies.

**6-** With the Decision No. 8290 dated 14/03/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, pursuant to Azizler Danışmanlık A.Ş. transferring 15% of its direct shares in BPN Ödeme Kuruluşu A.Ş. (the Company) Ömer Rahmi ZAPSU, to decrease the direct share of Azizler Danışmanlık A.Ş. in the Company from 15% to 0%, increase the direct share of Ömer Rahmi ZAPSU in the Company from 0.2% to 15.2% and decrease his indirect share from 27.63% to 12.63%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**7-** With the Decision No. 8291 dated 14/03/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to decrease the share of Mustafa Serhan YILMAZ in Turk Elektronik Para A.Ş. from 47% to 21.2%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**8-** With the Decision No. 8331 dated 18/04/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, as a result of Asseco Poland S.A., which is a 51.06% shareholder of Asseco South Eastern Europe S.A., which is the 100% shareholder of Asseco See Teknoloji A.Ş. (New title: Payten Teknoloji A.Ş.) which is the 100% direct shareholder of Nestpay Ödeme Hizmetleri A.Ş. (the Company) transferring its shares to Asseco International A.S. (Asseco International), which is a company of the Asseco Group operating in the Slovak Republic, for Asseco International to hold 51.06% indirect share in the Company, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**9-** With the Decision No. 8432 dated 04/07/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to transfer the 5% share of Metal Yapı Konut A.Ş. in Metal Varlık Yönetim A.Ş. to Omar Teknik Enerji A.Ş., without prejudice to obligations arising from the relevant legislation and pursuant to clause one of articles 5 and 7 of the Regulation on the Establishment and Operation Principles of Asset Management Companies.

**10-** With the Decision No. 8463 dated 25/07/2019 of the Banking Regulation and Supervision Board, decision was taken regarding the application for share transfer submitted by Faturakom Ödeme Hizmetleri A.Ş. (the Company) under

the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions (the Law), as a result of the assessments made under the information and documents sent to the company and correspondence with the relevant public authorities under article 9 of the Regulation on Payment Services and Electronic Money Exports and Payment Institutions and Electronic Money Institutions; to grant permission to increase the direct share of Mahmut FINDIKÇI in the Company from 9% to 13.6%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law.

**11-** With the Decision No. 8464 dated 25/07/2019 of the Banking Regulation and Supervision Board, decision was taken in consideration of the declaration regarding the shareholding structure resulting from the share transfers and capital increases conducted between 06/09/2016 - 04/02/2019 in Ödeal Ödeme Kuruluşu A.Ş. (the Company) and that the Company would remove the privileges and groups of capital shares, to grant permission for the Company capital to finally be such that Görkem Aytek SÖZER directly holds 47% shares and Zekeriye KONUKOĞLU's shares are reduced to 0%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**12-** With the Decision No. 8535 dated 06/09/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, without prejudice to the provisions of the Turkish Commercial Code and other legislative provisions, for Turk Elektronik Para A.Ş. to receive all the Group B privileged shares held by Turuncu Holding A.Ş. in Turk Finansman A.Ş. pursuant to clause (2) of article 11 of the Leasing, Factoring and Financing Companies Law No. 6361.

**13-** With the Decision No. 8539 dated 06/09/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to the share transfer resulting in decreasing the share of Kemal Oğuz PALA in the capital of Paladyum Elektronik Para ve Ödeme Hizmetleri A.Ş. from 25% to 0% and increasing the share of Ünal PALA from 25% to 50%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law.

**14-** With the Decision No. 8595 dated 10/10/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to decrease the direct share of Ramazan BAŞAK in Pay Fix Ödeme Hizmetleri A.Ş. (the

Company) to 0% and for Hamza KORK to gain 100% share in the capital of the Company, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**15-** With the Decision No. 8649 dated 08/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, with the result of making Fin Tech Invest B.V., whose full shares are held by Şevket BAŞEV, gain joint control power in Multinet Kurumsal Hizmetler A.Ş. (Multinet), which holds more than 10% share in Aypara Ödeme Kuruluşu A.Ş. (Aypara) and İninal Ödeme ve Elektronik Para Hizmetleri A.Ş. (İninal), for Şevket BAŞEV to transfer his 1% share in Multinet to Fin Tech Invest B.V.; and with the result of making the indirect shares of Fin Tech Invest B.V. and Şevket BAŞEV in İninal increase from 0.64% to 36.54% and the indirect shares of C.D. Holding Internationale and Le Cheque Dejeuner decrease from 63.17% to 36.69%, the indirect shares of Fin Tech Invest B.V. and Şevket BAŞEV in Aypara increase from 0.68% to 36.58% and the indirect shares of C.D. Holding Internationale and Le Cheque Dejeuner decrease from 67.44% to 36.72%, for Fin Tech Invest B.V. to increase its shares in Multinet from 1% to 49.9%, pursuant to article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**16-** With the Decision No. 8668 dated 14/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, regarding the share transfer permit application submitted to our Agency for receiving shares of MIH Payu BV by İyzi Ödeme ve Elektronik Para Hizmetleri A.Ş. (İyzi) corresponding to 79.32% of its capital, concurrently, increasing the direct share of MIH Payu BV to 85.12% by participating in the capital increase and transferring all the shares of Payu Ödeme Kuruluşu A.Ş. (Payu) acquired through capital increase to İyzi;

**1) In the capital of İyzi Ödeme ve Elektronik Para Hizmetleri A.Ş. (İyzi);**

- a) To decrease the direct shares of Barbaros Serdar ÖZBUGUTU and Tahsin ISIN from 10.37% to 4.85%,
- b) To decrease the direct share of Pahicle Invest GMBH from 12.24%, the direct share of 212 Capital Partners I Cooperatief U.A. from 16.07%, the direct share of International Finance Corporation from 14.50% and the direct share of Vostok Emerging Finance Ltd. from 21.05% to 0%,

- c) For MIH Payu BV to hold 85.12% direct share,
- d) For Payu Global BV to hold 85.12%, Naspers Fintech Holdings B.V. and MIH E-Commerce Holdings BV 73.14%, MIH B2C Payu Holdings BV The Netherlands and MIH Internet SEA Pte Ltd Singapore 11.98%, MIH B2C Holdings BV The Netherlands 10.93%, Prosus NV (former title: Myriad International Holdings NV) 84.07% and MIH Holdings Ltd. and Naspers Limited 62.21% indirect share,

**2) In the capital of Payu Ödeme Kuruluşu A.Ş. (Payu);**

- a) To decrease the direct share of MIH Payu BV from 100% to 0% and for İyzi to hold 100% direct and MIH Payu BV 85.12% indirect share,
- b) To decrease the indirect share of MIH BuscaPe Holdings BV from 32.74%, of Allegro Newco BV from 32.27%, of MIH Latam Holdings BV from 29.30%, of MIH Allegro BV from 53.20%, of Ibibo Group Holdings (former title: MIH India e-Commerce Pte. Ltd.) from 14.07%, of MIH Ming He Holdings from 93.76% to 0%,
- c) For Naspers Fintech Holdings BV to hold 73.14%, MIH Internet SEA Pte Ltd Singapore and MIH B2C PayU Holdings BV The Netherlands 11.98% indirect share

in the context of clause (1) of article 25 of the Law.

**17-** With the Decision No. 8692 dated 28/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to the share transfer resulting in decreasing the share of Askar AMIRKHANOV in the capital of Vezne24 Tahsilat Sistemleri ve Ödeme Kuruluşu A.Ş. from 90% to 0% and increasing the share of Vlademir RUPPEL 10% to 100%, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions (the Law).

**18-** With the Decision No. 8693 dated 28/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş. (the Company) to establish the Group B shares from 20% of the Company capital that grant the privilege to designate members to the board of directors and for Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmeti A.Ş. to acquire 20% of such Group B shares, for Fibabanka A.Ş. to acquire 20% and Fiba Holding A.Ş. to acquire 14.31% indirect share in the Company, and to establish Group A shares from a total of 80% of the Company capital, with İlker SÖZDİNLER and Ahmet ÜNVER each holding 39.06% and

like GERMİRLİĞİL and Selen ÜNVER each holding 0.94% direct shares, without prejudice to obligations arising from the relevant legislation and pursuant to article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**19-** With the Decision No. 8694 dated 28/11/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission, as a result of transfer of the shares of Asseco South Eastern Europe S.A. holding 100% indirect shares in Nestpay Ödeme Hizmetleri A.Ş. (the Company) to Payten Spolka Z Ograniczona Odpowiedzialnoscia Spolka Komandytowa (Payten Poland) operating in Poland, for Payten Poland to acquire 100% indirect shares in the Company, without prejudice to obligations arising from the relevant legislation and pursuant to clause one of article 25 of the Law No. 6493 on Payment & Securities Settlement Systems, Payment Services and Electronic Money Institutions.

**20-** With the Decision No. 8701 dated 05/12/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission for Fethi POLAT to hold 52.5% indirect share in Doğru Varlık Yönetim A.Ş. without prejudice to obligations arising from the relevant legislation and pursuant to clause one of articles 5 and 7 of the Regulation on the Establishment and Operation Principles of Asset Management Companies.

**21-** With the decision of the Banking Regulation and Supervision Board No. 8752 dated 26/12/2019, decision was taken to grant permission for the merger of Deren Varlık Yönetim A.Ş. with Denge Varlık Yönetimi A.Ş. by transferring all rights, receivables, debts and liabilities of the former to the latter, without prejudice to provisions of the Turkish Commercial Code No. 6102 and other legislation and pursuant to provisions of clause three of Article 2 of the Banking Law No. 5411 and the Regulation on the Establishment and Operation Principles of Asset Management Companies.

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

In 2019, 1 bank was given license to open branch; 1 bank was given license to open representation abroad; and 1 bank was given license to acquire an affiliate overseas.

- 1-** With the Decision No. 8398 dated 20/06/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to T. Vakıflar Bankası T.A.O. to open a branch in Qatar.
- 2-** With the Decision No. 8224 dated 01/02/2019 of the Banking Regulation and Supervision Board, decision was taken to grant permission to T. Vakıflar Bankası T.A.O. to open a branch in the People's Republic of China.
- 3-** With the correspondence No. 10928 dated 16/09/2019, Albaraka Türk Katılım Bankası A.Ş. was permitted to participate a company in Iraq.

**Table 12: Acquisition of Joint Ventures Opening Branch Offices Abroad**

Bank Name	Country-Procedure	Date / Number
T. Vakıflar Bankası T.A.O.	Qatar - Branch	20/06/2019 - 8398
T. Vakıflar Bankası T.A.O.	China - Representative Office	01/02/2019 - 8224
Albaraka Türk Katılım Bankası A.Ş.	Iraq – Participation	16/09/2019 - 10928

Also, in 2019, 2 foreign banks were granted license to open representative offices in Turkey and the Turkey Representative Office of Bank of China Limited and the Turkey Representative Office of EFG Bank AG ceased their operations.

**Table 13: Banks Established Abroad and Permitted to Open Offices**

Bank Name	Country of Origin	Date/Number	Date of Activity
Bank J. Safra Sarasin AG Turkey Representative Office	Switzerland	16/05/2019 - 8372	19/09/2019
OJSC "Orienbank" Turkey Representative Office	Tajikistan	05/12/2019-8724	-



## ➤ Evaluation and Enforcement Activities

Within the scope of evaluation and enforcement activities and to ensure that institutions 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 jointly.

As a result of such 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.

Based on on-site auditing and supervision results and evaluation of the notices and complaints, in 2019, 13 criminal complaints were filed for keeping secrets confidential, 8 for embezzlement charges, 7 for protection of reputation, 1 for the obligation to retain documents and 1 for a website pursuant to the Banking Law No. 5411. Also, 10 temporary abolishment of signatory powers were performed.

Based on on-site auditing and supervision results and evaluation of the notices and complaints, in 2019, 29 criminal complaints were filed for unlawful activities pursuant to the Law 6493 on the Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions.

Also, 87 administrative fines were imposed on banks, 10 on factoring companies, 3 on financing companies, 6 on leasing companies, 6 on asset management companies, 28 on payment and electronic money institutions, 5 on valuation institutions and 1 on independent auditing institutions.

Based on on-site auditing and supervision results and evaluation of the notices and complaints, in 2019, 13 criminal complaints were filed for keeping secrets confidential, 8 for embezzlement charges, 7 for protection of reputation, 1 for the obligation to retain documents and 1 for a website pursuant to the Banking Law No. 5411.





# PROTECTION OF FINANCIAL CONSUMERS

## PROTECTION OF FINANCIAL CONSUMERS

The Financial Consumer Relations Department conducted works also in 2019 for the purpose of protecting the rights and raising awareness of financial consumers, who are considered as an important part of preserving financial stability and the complaint and application follow-up process was executed meticulously.

The complaints and information requests of financial consumers are taken into consideration through five channels, namely the E-Complaint System, Petition, Information Acquisition System, CIMER and the Call Center. All applications and complaints received by the Agency are first transferred to the Presidency 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 following table shows the channel-based distribution of the applications received by the Agency in 2019 through channels that can be applied.

Examining the Channel-based Distribution of Applications Received by the Agency, it is observed that the applications to our Agency in 2019 increased by 33% with respect to the number of applications in 2018 and reached 134,631. It is observed that in 2019, 86,211 applications were received by Information Acquisition System, Petition, E-Complaint System and the Call Center, the direct channels of our Agency and the E-Complaint and the call center channels of the Agency were mostly used. On the other hand, the Agency also received 48,420 applications through CIMER.

Examining the channel-based distribution of applications received by the agency, it is observed that the applications to our Agency in 2019 increased by 33% with respect to the number of applications in 2018 and reached 134,631.

An increase was observed in the number of applications made through CIMER and the Call Center as well as the E-Complaint system of the Agency due to the general increase in the number of applications in 2019. On the other hand, the CIMER channel was also used intensely due to the closure of BIMER in 2018 and direction of the applications to the Presidential Communication Center and closure of the Information Acquisition Application used on the website of the Agency on 18/02/2019 and starting to receive information acquisition applications through the CIMER system.

Subject-based distribution of complaints received by the Agency through CIMER, the Information Acquisition System, Petition and E-Complaint system in 2019 is given in the table below.

**Table 14: Channel-based Distribution of Applications Received by the Agency**

Complaint Channels	2018		2019	
	Number	Share %	Number	Share %
Information Acquisition System	2,594	2.6	156	0.1
Petition	2,866	2.8	3,157	2.3
E-Complaint	28,283	28.0	40,751	30.3
CIMER	25,750	25.5	48,420	36.0
BIMER	10,456	10.4	-	-
Call Center	31,014	30.7	42,147	31.3
<b>TOTAL</b>	<b>100,963</b>	<b>100</b>	<b>134,631</b>	<b>100</b>

**Table 15: Subject-based Distribution of Applications Received by the Agency**

Application Subjects	Petition	Call Center	CİMER	BES	E-Complaint	Total Number	Share%
Consumer Loans	476	11,127	15,080	32	7,340	34,055	<b>25.30</b>
Commercial Loans / Product	886	3,866	7,008	14	3,162	14,936	<b>11.09</b>
Bank & Credit Cards	226	6,878	9,500	24	13,990	30,618	<b>22.74</b>
Alternative Distribution Channels	25	1,538	959	1	1,477	4,000	<b>2.97%</b>
Deposit/Participation Fund Procedures	858	5,221	5,635	12	7,503	19,229	<b>14.28</b>
Overdraft Account Procedures	25	217	182	2	1,180	1,606	1.19
Non-Banking Institutions	40	1,522	279	0	82	1,923	1.43
Applications that Fall within the Scope of Other Institutions/Organizations	312	5,594	6,468	15	4,763	17,152	<b>12.74</b>
Applications Not Containing Concrete Requests	6	842	312	0	462	1,622	1.20
Execution-Related Questions	73	252	994	0	351	1,670	1.24
Disclosure of Customer Secrets	24	136	229	0	303	692	0.51
Request of Information & Documents from the Agency	191	4,333	1,024	44	128	5,720	<b>4.25</b>
Requests for Advice and Opinion from Agency	15	621	750	12	10	1,408	1.05
<b>TOTAL</b>	<b>3,157</b>	<b>42,147</b>	<b>48,420</b>	<b>156</b>	<b>40,751</b>	<b>134,631</b>	<b>100</b>

Examining the Table of Subject-based Distribution of Applications Received by the Agency, it is observed that out of the 134,631 applications, 25.30% were concentrated on the channel of retail loans, 22.74% on banks and credit cards, 14.28% on deposit and participation fund transactions, 12.74% on applications that fall within the scope of other institutions/organizations and 11.09% on commercial credit/product.

On the other hand, complaints regarding retail loans, for which the highest number of applications were received, mostly resulted from early credit repayment and restructuring (6.28%); credit rating, registry amnesty and black list problems (5.94%); credit requests (5.14%). Following retail loans, in bank and credit cards, the topics of fees, expense and commission amounts (7.15%); restructuring (4.20%); spending objections, loss, theft and fraud (2.64%) stand out.

Furthermore, the annual change of complaint topics is given in the following table.

Complaints regarding retail loans, for which the highest number of applications were received, mostly resulted from early credit repayment and restructuring (6.28%); credit rating, registry amnesty and black list problems (5.94%); credit requests (5.14%).



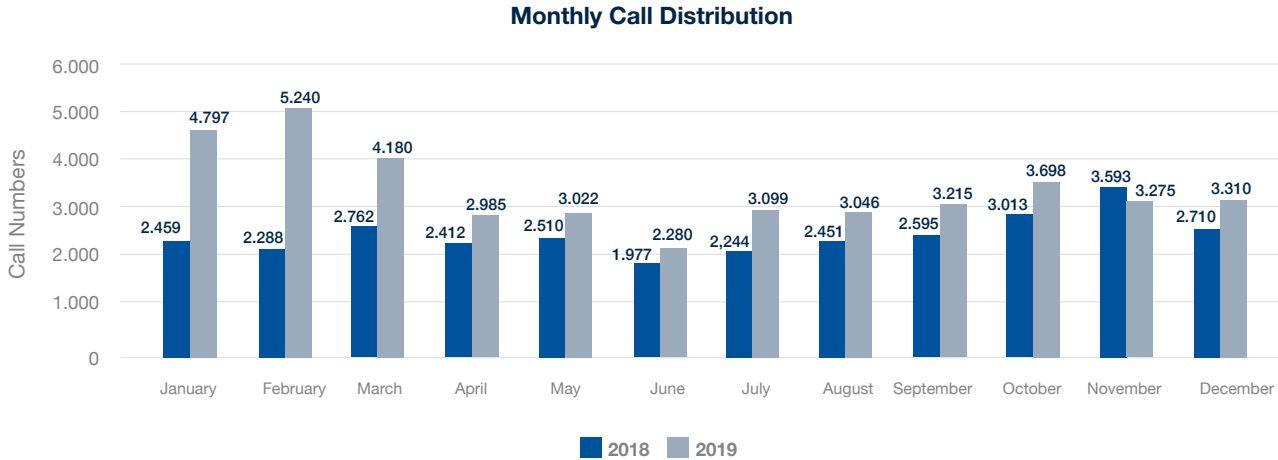
**Table 16: Yearly Change in the Subjects of Applications Received by the Agency**

Subject of Complaint and Request	2018		2019	
	TOTAL	Share%	TOTAL	Share%
Consumer Credits	27,092	26.83%	34,055	25.30 ▼
Commercial Credit / Product	8,265	8.19%	14,936	11.09 ▲
Bank & Credit Cards	18,443	18.27%	30,618	22.74 ▲
Alternative Distribution Channels	4,197	4.16%	4,000	2.97 ▼
Deposit/Participation Fund Procedures	14,752	14.61%	19,229	14.28 ▼
Overdraft Account Procedures	4,531	4.49%	1,606	1.19 ▼
Non-Banking Institutions	2,345	2.32%	1,923	1.43 ▼
Applications that Fall within the Scope of Other Institutions/Organizations	11,199	11.09%	17,152	12.74 ▲
Applications Not Containing Concrete Requests	2,951	2.92%	1,622	1.20 ▼
Execution-Related Questions	1,116	1.11%	1,670	1.24 ▲
Disclosure of Customer Secrets	620	0.61%	692	0.51 ▼
Request of Information & Documents from the Agency	4,810	4.76%	5,720	4.25 ▼
Requests for Advice and Opinion from Agency	642	0.64%	1,408	1.05 ▲
<b>TOTAL</b>	<b>100,963</b>	<b>100%</b>	<b>134,631</b>	<b>100</b>

Examining the Table of Yearly Change in the Subjects of Applications Received by the Agency, it is understood that the number of applications in 2019 increased with respect to 2018 and reached 134,631 and that a significant part of this increase resulted from the increase in the number of applications made in the topics of bank and credit cards and commercial credit/product. Examining the change in the share of complaint topics, it is observed that the increase in the number of applications regarding the topic of bank and credit cards results from restructuring (3.76%), fees, expense and commission amounts (1.15%), failure to meet card cancellation requests (1.33%); and the increase in the number of applications regarding the commercial credit/product results from credit requests (1.47%), fees, expense and commission amounts (1.04%), early credit repayment and restructuring (0.42%).

On the other hand, 31,014 calls were received in 2018 and 42,147 were received in 2019 through the call center channel, which was established in the final quarter of 2014 to provide easier and faster delivery of applications and complaints of financial consumers to the Agency. The number of applications increased with respect to the previous year and the share of the number of applications received from the call center channel in the total number of applications did not change.

Monthly distribution of applications received by the Agency through the call center channel in 2018 and 2019 is given in the table below.

**Table 17: Monthly Distribution of Complaints Made to Agency's Call Center**

Calls received by the call center of the Agency during 08:00 – 17:00 on week days are directly replied by the customer representative; calls received outside of the said time interval are recorded with the voice response system and replied with the call center staff returning to the applicant on the next day.

The number of calls received by the call center of the Agency increased in the first quarter of 2019 due to the topics of framework agreement, struggle against inflation and credit structuring, and calls were replied particularly regarding the topics of changes in credit card minimum payment amounts and installment limits and the currency purchase/sale notices for natural persons were replied in the mid-year and regarding swap transactions at the year end.

In addition to its duties of complaint and application follow-up process, preparation and finalization of audit reports, the Agency also conducted works to ensure that the fees and commissions of financial products are presented to consumers in a comprehensible and comparable manner for the purpose of raising the awareness of and protecting financial consumers. As a result of joint works conducted with BAT and PBAT, fee items chargeable to individual customers, classified with the Regulation on Principles and Procedures Regarding the Charges Applicable to Financial Consumers (Regulation on Charges), were started to be presented in 2019 in a standard and comparable format at the website <https://www.bankacilikurunvehizmetucretleri.org.tr/>. The link of the mentioned website is included in the section entitled “Banking Products and Services” of the Agency's website and the said practice allows citizens to access all

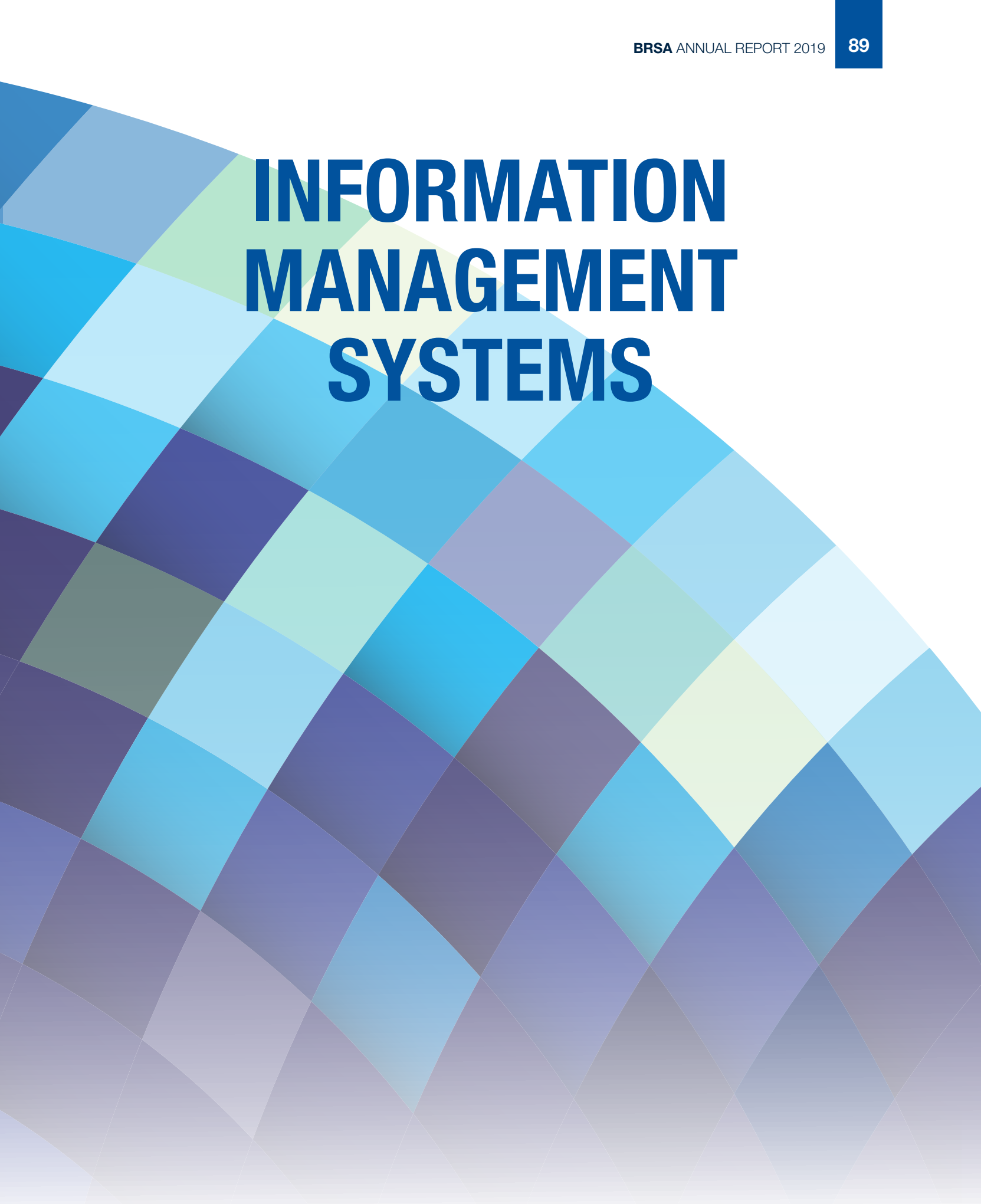
fee, commission and expense details that may be collected by banks and can compare and sort banks according to fees and commissions.

On the other hand, in 2019, required participation and contributions were made to the Customer Complaints Arbitration Committees established to ensure the settlement and resolution of disputes between BAT and PBAT 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-Government. Considering that particularly the spread of the interest-free finance system and participation banking recently came into prominence, the operating principles of the PBAT individual customer arbitrator committee was taken into consideration and improved in order to guarantee the rights of participation banking customers.

Also notifications, complaints and applications on individual products and services and review requests made by the authorities were handled by the Department of Financial Consumer Relations also in 2019. Within the scope of the audit activities, 384 reports and 11 comments were prepared in 2019 and 160 Board decisions were taken as a result of the audits. Administrative sanctions were imposed on the banks with 155 of these Board Decisions, as well as 7 Judicial Board Decisions were made. With these Board decisions, 176 administrative fines were imposed, 6 criminal charges were filed, 6 signatory powers were abolished, the signature authorization of 2 persons were returned and a total of TL 5.425.983 administrative fine was applied to the banks.



# INFORMATION MANAGEMENT SYSTEMS



# INFORMATION MANAGEMENT SYSTEMS

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

## ➤ Data and System Management

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

### ➤ Service for Querying the Deposit Accounts of Citizens through e-Government:

The development stage has been completed for the project, which was initiated to ensure that citizens can see the banks on which they have deposit accounts. The project was completed with the procurement of its infrastructure in 2019 and put into service on March 2020.

### ➤ Service Architecture and New Server Purchase:

The system infrastructure was strengthened by purchasing a new service due to new needs, particularly for improving the existing infrastructure and our new service being offered through e-Government. Unlike the current server architecture, the new servers were created with a strengthened system architecture.

### ➤ Business Intelligence:

Data needs to be provided to the Agency staff through a secure and practical channel in order to ensure that the Agency is able to effectively perform its oversight and supervision activities as part of its job description. In this context, the version of the existing business intelligence tool was first upgraded to support the Agency staff in giving effective decisions based on data and analyses and ensure that they access the information they need effectively and easily. The studies conducted with the new infrastructure aim to provide support to the users regarding advanced analytics, advanced data visualization and dashboards, queries, instant reporting, analysis and formatted reports and many other topics. Most of the studies conducted under business intelligence were completed in 2019 and the project is aimed to be realized with all its components in the first half of 2020.

### ➤ Electronic Document Management System (EBYS):

System improvement/development activities based on requests by the Agency personnel continued in 2019. The capacity of the system was increased and the system infrastructure was improved.

The system infrastructure was strengthened by purchasing a new server due to new needs, particularly for improving the existing infrastructure and our new service being offered through e-Government. Unlike the current server architecture, the new servers were created with a strengthened system architecture.

### ➤ Agency Website:

The Agency website was renewed in 2018 to ensure that its design and infrastructure complies with developing technologies and the development of its content management system was completed and put into use in 2019. Renewal of the Agency website will continue in 2020 in accordance with corporate needs.

### ➤ Renewal of the Agency's Intranet Site:

The renewal of the Agency's intranet site was completed in 2019 in accordance with the needs of the Agency and works are continuing for ensuring compatibility between the internal application of the Agency and the intranet site. In this context, improvement works will be continued in accordance with both the internal needs of the Agency and developing technologies, ensuring that it is open for development and expansion and complies with modern design principles.

### ➤ E-Complaint Application

Regarding the E-Complaint Application, the improvements deemed necessary by the Agency and requested by the relevant organizations were performed. In this context, integration with BAT was completed in 2019. Works are ongoing for the data exchange of the system with organizations.



### ➤ **Big Data Activities:**

In 2019, the Agency's data was reconsidered within the concept of "Big Data" and R&D activities continued for the purpose of improving data acquisition, accuracy check and processing. The purpose of these efforts is to ensure the scalability of the financial data and provide a fast query process.

### ➤ **Human Resources Test:**

Renewal works were initiated to increase the functionality and ease of use of the human resources test application and the applications used in the recruitment of professional personnel and administrative personnel to make them compatible with developing technologies.

### ➤ **Support Services Applications**

New modules were 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 2019. In this context, technical support applications were developed in order to monitor the technical demands of public personnel and business units and to transfer the IT processes to the computer environment. Errors in the application were corrected and the required improvements were made in the program.

### ➤ **Bulletins (Banking Sector Data)**

Improvements were continued on the banking sector data applications (daily bulletin, weekly bulletin, monthly bulletin, BDMK bulletin, credit card information application, FinTürk-based on cities) for which the interface was renewed to be compatible with the Agency website. In order to better meet user needs and provide ease of use, the design of the Weekly Bulletin and the Leasing, Factoring and Financing Companies" Application, which provides weekly banking sector data, was updated and the variety of data was increased. Published on a quarterly basis, the BDMK bulletin started to be published on a monthly basis after January 2019 and was separated as factoring, leasing and financing companies.

➤ **Rapid Information Transfer System (HBAS)** Works were continued under the HBAS project to provide faster information and document sharing with the organizations under the supervision of the Agency. Development and test works continue for the system that hosts two applications, namely Management and Organization.

### ➤ **Form Information Application**

We 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 relevant personnel through an application. The necessary improvements continue on the application that was created in line with the opinions of other units and the updates deemed necessary.

### ➤ **Basic Indicator Changes Application**

The improvements are continuing on the Basic Indicator Changes Application which was realized in 2019 in order to present the basic indicative data of the forms received from banks to the whole Agency.

### ➤ **BRSA Reporting System (BRS) Technical Support**

Both technical support and business-related issues are monitored for the problems notified to the BRS support e-mail address or communicated by the companies directly by telephone. During this period, approximately 10,000 e-mail notifications were received regarding the problems faced by organizations reporting via BVTs and solutions for these e-mails were delivered to the parties through the e-mail channel.

### ➤ **Activities for Mutual Information Sharing with Other Institutions and Organizations**

In 2019, 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 and developments were made to maintain data sharing in a continuous manner.

Information exchange with domestic and international institutions and the public is carried out under principles of privacy, integrity and accessibility of data under ISO 27001.

We continue to regularly exchange information with Turkish Central Bank, Turkish Ministry of Treasury and Finance, SDIF and FCIB 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.

Based on the data-sharing protocol signed in 2018, the Central Registry Agency (CRA) continued in 2019 to obtain information from the stock exchange on investors that hold shares of banks and non-bank financial institutions.

Works were continued to open for internal use the data received under the web service contract signed with TUIK for accessing Central Distribution System (MEDAS) that contains public statistics communicated by Turkey Statistical Institute (TSI) by means of web service. Also, an information sharing protocol was signed between BRSA and TUIK to strengthen statistical data sharing and to increase the effectiveness and efficiency of statistics generation methods, and data is being shared regularly.

Data is being shared under the efforts made for 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.

Under the protocol signed with the Ministry of Interior in 2019, the necessary developments were completed for sharing the domestic branch details of banks through the web service.

In accordance with the provisions contained in various articles of the Banking Law, the Agency periodically shared information with the related institutions and organizations operating in relation to its field of duty as well as other information requests from the institutions. Also, meetings are currently ongoing regarding certain information requests received from relevant institutions and organizations.

In this context, protocol works are continuing with Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş. (Türksat), the Ministry of Family and Social Policies, the Ministry of Industry and Technology and Kredi Garanti Fonu A.Ş.

**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 200 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 65 of them are for auditing and supervision purposes.

The period of the quarterly reports submitted by factoring, leasing and financing companies was set to be monthly as of January 2019 and the period of the quarterly reports of asset management companies was set to be monthly as of January 2020.

The period of the quarterly reports submitted by factoring, leasing and financing companies was set to be monthly as of January 2019 and the period of the quarterly reports of asset management companies was set to be monthly as of January 2020.

**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 accordance with the relevant legislation updates, the entire reporting set was reviewed; 2 new surveillance forms were created and 70 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 and named as key application is used for updating information by the parties concerned.

Organizations that started operations in 2019 were defined in BVTs to ensure they submit their periodic reports to the Agency, and the necessary processes were conducted to cancel BVTs access for organizations with abolished operating licenses within the year.

**With the purpose of informing the public,** key balance sheet items in the 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, "Key Banking Indicators" as well as the monthly key

financial statements and receivables of leasing, factoring and financing companies are presented in leasing, factoring and financing company bulletins on a quarterly basis. The English versions were also created and access was provided to the daily, weekly, monthly information and the quarterly "Basic Banking Indicators". A total of 338 periodicals were presented to the public during the year.

The preparation process was completed for the quarterly "Key Indicators Report" regarding factoring, leasing and financing companies and the report is planned to start being shared with the public in 2020.

To facilitate the use and interpretation of data published by the Agency; metadata documents were 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.

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
- Leasing Sector Data
- Financing Companies Data

and the process for obtaining the Quality Logo is in progress.

The "Revision Schedule" was created and added to the website for sharing the Revision Policy document regarding the bulletins published by the Agency and the planned revisions with the users. Also, updates were made in the schedule through correspondence with TUIK regarding the statistics generated under the responsibility of the Agency under the Official Statistics Program revision works.

"National Data Publication Schedule" which lists when and how to publish in 2019 the statistics included in the Official Statistics Program (2017 – 2021) and generated under the responsibility of the Agency was updated with 2020 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 CRA to create an infrastructure in compliance with the European Securities and Markets Authority (ESMA) standards, and provided technical support and consultancy to the project.

RIP data under the responsibility of the Agency together with the metadata, which are among the indicators determined within the scope of the Sustainable Development Indicator System adopted at the United Nations General Assembly, were produced and shared with TUIK. The indicator with the code 9.3.2 and titled "Ratio of small-scale industries with a credit debt or credit limit" under "7. Multi-Field Statistics" with the purpose of sustainable development in RIP, was started to be generated under the responsibility of the Agency and published by TUIK on the news bulletin on indicators as a result of the cooperation made with TUIK.

### ➤ Coordination with the National Center for Intervention in Cyber Events (USOM):

As part of the security measures to be taken against known and newly emerging cyber-attacks, effective protection was ensured by making the necessary definitions on the security devices located on the IT systems of the Agency in coordination with USOM.

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

The BGYS installation works were completed in accordance with the TS ISO/IEC 27001 standard for the purpose of ensuring information security in the IT processes of the Agency and TS ISO/IEC 27001:2017 certification as realized as of 24/07/2019.

### ➤ Security Tests:

Security elements of IT systems of the Agency were checked and the necessary improvements were made in accordance with the findings obtained as a result of the security scans conducted by the Ministry of Treasury and Finance.





# 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 2019 with the Strategy and Budget Department of the Presidency, Ministry of Treasury and Finance, CMB, SDIF and Central Bank in order to ensure coordination and cooperation among these 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 (FSC):** FSC was established as per Article 99 of the Banking Law to ensure reliability and stability in the financial markets through information exchange and cooperation and collaboration between institutions, propose shared policies and provide opinions on the future of the finance industry.

Pursuant to the applicable Law, it is envisaged that FSC that consists of representatives from the Ministry of Treasury and Finance, Revenue Agency, Presidential Strategy and Budget Department, CBRT, CMB, SDIF, 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 FSC requires that the Commission meetings will be held in May and November. In this context, the regular meetings of the FSC on 02/05/2019 and 05/11/2019 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 FSC.

**Coordination Committee:** The Coordination Committee consisting of the Agency Chairman and Vice Chairmen and SDIF Chairman and Vice 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 2019, 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 SDIF.

## » 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) was used in order to enable the personnel of the Department to continue their working time effectively and efficiently within the Legal Affairs department as of 01/05/2016.

A series of developments and changes were made in 2019 in the sections on criminal lawsuits and case files in the HTS program to ensure compliance with changing needs and conditions.

The HTS, which stores data on current or future lawsuits and execution proceedings initiated on behalf of the Agency, was integrated into the UYAP system and, as part of the efforts carried out under the Data and System Management Department of our Agency and the IT Department of the Ministry of Justice for ensuring data exchange purposes; Additional developments were completed regarding the integration of the HTS program, which stores data on current or future lawsuits and execution proceedings initiated on behalf of the Agency with the UYAP system.

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 Legal Affairs Department carries out all action regarding the collection of Agency's receivables.

In 2019, opinions were provided on any transaction or conflict involving the Agency for follow up, defending and solving of these issues before administrative and criminal judiciary and execution offices and representation of the Agency. Information on lawsuits involving the Agency are classified based on their subjects in the attached table.

**Table 18: Lawsuits Involving the Agency**

Type of Lawsuit	2018		2019	
	Number	Share %	Number	Share %
Administrative Lawsuits	1,846	88.0	1,516	88.6
Penal Lawsuits	140	6.7	134	7.8
Legal Lawsuits	112	5.3	62	3.6
<b>TOTAL</b>	<b>2,098</b>	<b>100.0</b>	<b>1,712</b>	<b>100.0</b>

88.6% of the cases involving the Agency 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 the 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 the State with regards to banks whose management, supervision and shareholding rights, excluding dividends, were transferred to Saving Deposits Insurance Fund were followed up by the Ministry of Justice, and coordination of information, documents and opinions requested from the Agency by the Ministry of Justice is being carried out by the Legal Affairs Department.

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 44 written applications were made in 2019.

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 responded and continues to respond to the statements coming from the relevant chief public prosecutors' offices and other public institutions and organizations. However, during the same period, 945 internal and 1,632 external correspondences were made, including correspondence from various courts, public prosecutors' offices or public institutions and organizations.

In 2019, 38 opinions were given on legal issues listed in Article 20 Paragraph (d) of the Regulation on the Organization of Banking Regulation and Supervision Agency. These opinions are on various subjects including the implementation of the banking regulation, regulation drafts, international agreements signed by and between the Agency and oversight and audit authorities of other countries and personnel implementations.

## ➤ International Organizations

### ➤ Relations with Foreign Equivalent 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 gain access to the necessary information to evaluate the activities of our 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.

The Agency signed a memorandum of understanding with the Kazakhstan Financial Market Supervision Authority (Astana Financial Services Authority) on 12/02/2019 and with the Central Bank of Republic of Uzbekistan on 16/05/2019 as a result of its meetings in 2019. As of the end of 2019, a memorandum of understanding was signed with 40 authorities from 36 countries and information regarding existing memorandums of understanding is given in the table below. In addition, efforts to sign a memorandum of understanding with the banking supervisors in Belarus and Sudan are at the final stage.

### ➤ Relations with International Organizations

#### **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.

Works were conducted for updating the “Annual Report on Exchange Arrangements and Exchange Restrictions” publication prepared by the IMF and regarding the macro cautionary measures database that IMF is trying to create.

Regarding the economic developments in member countries, the Agency contributed the relevant parts of the reports and surveys issued by IMF Technical Committee as per Article IV of IMF Charter.

In addition, the relations between the Agency and the World Bank in the framework of the Bilateral Technical Cooperation Agreement signed with the World Bank in 2013 continue positively. In this context, contributions were made to the meetings and joint activities carried out under the coordination of 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 in 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 and 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

**Table 19: Memorandum of Understanding Signed by Foreign Authorities**

	<b>Country</b>	<b>Institution</b>	<b>Date of Signature</b>
1	<b>TRNC</b>	Central Bank of TRNC	17/09/2001
2	<b>Albania</b>	Central Bank of Albania	19/10/2001
3	<b>Romania</b>	Central Bank of Romania	19/02/2002
4	<b>Bahrain</b>	Central Bank of Bahrain	30/07/2002
5	<b>Indonesia</b>	Central Bank of Indonesia	11/12/2002
6	<b>Pakistan</b>	National Bank of Pakistan	20/01/2004
7	<b>Malta</b>	Malta Financial Services Authority	10/12/2004
8	<b>Greece</b>	Central Bank of Greece	28/01/2005
9	<b>Kyrgyzstan</b>	Central Bank of Kyrgyzstan	17/05/2005
10	<b>Azerbaijan</b>	Central Bank of Azerbaijan Financial Markets Supervisory Authority of the Republic of Azerbaijan	14/06/2005 28/12/2018
11	<b>Bulgaria</b>	Central Bank of Bulgaria	13/09/2005
12	<b>China</b>	Banking Regulation Commission of China	11/07/2006
13	<b>Georgia</b>	Central Bank of Georgia	02/11/2007
14	<b>Kosovo</b>	Central Bank of Kosovo	12/05/2008
15	<b>Luxembourg</b>	Luxembourg Finance Industry Inspection Authority	13/03/2009
16	<b>Lebanon</b>	Banking Control Commission of Lebanon	10/06/2009
17	<b>Bosnia-Herzegovina</b>	Bosnia-Herzegovina Banking Agency	12/06/2009
18	<b>Kazakhstan</b>	Banking Committee of the Central Bank Kazakhstan Kazakhstan Financial Market Supervision Authority	28/08/2009 12/02/2019
19	<b>Ukraine</b>	Central Bank of Ukraine	19/02/2010
20	<b>Macedonia</b>	Central Bank of Macedonia	30/08/2010
21	<b>Russian Federation</b>	Central Bank of Russian Federation	30/09/2010
22	<b>Syria</b>	Central Bank of Syria Money and Credit Committee	21/12/2010
23	<b>Qatar</b>	Qatar Finance Center Regulation Authority	25/07/2011
24	<b>Germany</b>	Federal Financial Supervision Authority (BaFin)	05/08/2011
25	<b>Croatia</b>	Central Bank of Croatia	29/08/2011
26	<b>Jordan</b>	Central Bank of Jordan	06/09/2011
27	<b>Belgium</b>	Central Bank of Belgium	18/11/2011
28	<b>South Korea</b>	South Korea Financial Services Supervision Authority	25/11/2011
29	<b>Iraq</b>	Central Bank of Iraq	20/12/2011
30	<b>Spain</b>	Central Bank of Spain	25/11/2013
31	<b>Netherlands</b>	Central Bank of Netherlands	24/01/2015
32	<b>Serbia</b>	Central Bank of Serbia	09/06/2015
33	<b>United Arab Emirates</b>	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	<b>India</b>	Central Bank of India	23/11/2016
35	<b>UK</b>	Bank of England	22/05/2017
36	<b>Uzbekistan</b>	Central Bank of Republic of Uzbekistan	16/05/2019

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):** Participation advisory meetings were participated about the EU Programs that will enter into force under the 2021-2027 Multi-Year Financial Framework; contribution was made to the works conducted in this context.

The works of the "Sub-Committee No. 4 on Economic and Monetary Topics, Capital movements and Statistics" were conducted.

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 Program 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. The Agency contributed to the works of the Board as a full member of the IFSB and participated in the meetings.

**AAOIFI Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI):** AAOIFI is an international organization that creates systemic infrastructures and processes on the accounting and applications of interest-free finance to meet the needs of interest-free finance institutions and takes part in setting the standards for accounting, auditing, corporate governance and ethical principles of interest-free finance. Support was provided through active participation in

the general assembly and organizations of AAOIFI, to which we are a member as a regulatory authority. The fiqh standards published and translated into various languages by AAOIFI was translated into Turkish with the support of the Agency, sponsorship of PBAT and coordination of the Sabahattin Zaim University. The mentioned fiqh standards are resources that can be utilized by the participation banks and the academy in our country.

**Black Sea Economic Cooperation (BSEC)** Contribution was made to the activities of the Bank and Finance Working Group of the BSEC Organization, which was 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.

**Bilateral Economic Relations:** The meetings of the Inter-Governmental Commissions on Economic Cooperation and the Joint Economic Commissions were participated and contributions were made to the works for preparing protocols and action plans.

Also, meetings were held throughout the year in accordance with requests from the representatives of international organizations and foreign banks and investors and information was provided to the participants about the overall banking industry and the economic outlook.

#### ➤ **Trainings Provided by the Audit Departments personnel within the Framework of the Training Programs Organized by the Agency's Education Department**

In 2019, seven employees of the supervision offices of the Agency provided trainings presenting the following detailed information to participants from the Central Bank of Afghanistan and, as part of the request for technical support by the Central Bank of Iran, to participants from the Central Bank of Iran at the Istanbul Central Banking Research and Training Center.

**Table 20: Training Provided for Overseas Institutions by the Personnel of Audit Departments**

Date	Training Duration (Days)	Training Subjects	Participating Country	Related Organization	Number of Attendees
December 2019	1	Regulations on Leasing	Afghanistan	Central Bank of Afghanistan	7
December 2019	1	Asset Quality Evaluation Training	Iran	Central Bank of Iran	5



## ➤ 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 institutions and handles the information requests received.

In this sense, communication activities continued in 2019 to inform the public and the industry. Information on the industry were shared with the public through press releases and presentations. In 2019, a total of 21 press releases were made to inform the public.

**Table 21: Distribution of Press Releases by Subject**

Subject	2018		2019	
	Number	Share %	Number	Share %
Basel II - III	2	16.7	-	-
Applications for Banks	2	16.7	9	42.9
Publications	1	8.3	2	9.5
Corporate Activities	5	41.6	1	4.7
Other	2	16.7	9	42.9
<b>TOTAL</b>	<b>12</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>

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

A daily News Bulletin compiled from 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.



# 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. Vice chairmen, department heads, managers, chairmanship 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 and personnel employed in the status of permanent workers are subject to the Labor Law 4857.

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

As of the end of 2019, the Agency has 571 personnel members including managers, consultants, professional personnel, administrative personnel and regular workers. 60% of the personnel are occupational personnel.

When the distribution of occupational personnel according to seniority is considered as of the end of 2019; it is seen that 36% of the personnel have seniority between 1 and 3 years, followed by the personnel group in the seniority tranche between 10 and 19 years with a share of 35%.

**Table 22: Distribution of the Agency's Personnel**

Group	2018	Share%	2019	Share%
Manager	24	4	22	4
Consultant	11	2	15	2
Professional	302	56	341	60
Administrative Personnel	85	16	79	14
Permanent Worker	117	22	114	20
<b>TOTAL</b>	<b>539</b>	<b>100</b>	<b>571</b>	<b>100</b>

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 23: Distribution of Career Personnel by Seniority**

Title Group	2018	Share%	2019	Share%
<b>Sworn Bank Auditors</b>	<b>90</b>	<b>100</b>	<b>101</b>	<b>100</b>
Over 20 years	11	12	10	10
10-19 years	29	33	27	27
4-9 years	21	23	18	18
1-3 years	29	32	46	45
<b>Banking Experts</b>	<b>199</b>	<b>100</b>	<b>227</b>	<b>100</b>
Over 20 years	22	11	23	10
10-19 years	90	45	92	41
4-9 years	43	22	43	19
1-3 years	44	22	69	30
<b>BRSA Experts</b>	<b>7</b>	<b>100</b>	<b>13</b>	<b>100</b>
4-9 years	2	29	4	31
1-3 years	5	71	9	69
<b>Sum of Professionals</b>	<b>296</b>	<b>100</b>	<b>341</b>	<b>100</b>
Over 20 years	33	11	33	10
10-19 years	119	41	119	35
4-9 years	66	22	65	19
1-3 years	78	26	124	36

As of the end of 2019, 69% of the staff members are 40 years old or younger and the largest age group is 31 to 40 with 36%.

**Table 24: Age Distribution of Personnel**

Age Group	2018		2019	
	Number of Personnel	Share%	Number of Personnel	Share%
Up to 30 years	155	29	186	33
31 to 40 Years	216	40	208	36
41 to 50 Years	122	23	131	23
51 and over	46	8	46	8
<b>TOTAL</b>	<b>539</b>	<b>100</b>	<b>571</b>	<b>100</b>



**Table 25: Number of Personnel by Level of Education**

Group	PhD		Post Graduate		Bachelor Degree		Other	
	2018	2019	2018	2019	2018	2019	2018	2019
Manager	2	2	14	13	8	7	-	-
Consultant	2	3	4	6	5	6	-	-
Professional	10	8	96	103	196	230	-	-
Administrative personnel	-	-	8	9	53	47	24	23
Permanent Worker	-	-	-	-	26	26	91	88
<b>TOTAL</b>	<b>14</b>	<b>13</b>	<b>122</b>	<b>131</b>	<b>288</b>	<b>316</b>	<b>115</b>	<b>111</b>
<b>Share %</b>	<b>3</b>	<b>2</b>	<b>23</b>	<b>23</b>	<b>53</b>	<b>55</b>	<b>21</b>	<b>20</b>

As of the end of 2019, 80% of 571 Agency staff members have a bachelor's degree or higher and 25% have a post-graduate degree.

**Table 26: Distribution of Personnel by Field of Degree**

Field of Degree	2018	2019
	Number of Personnel	Number of Personnel
Economics and Administrative Sciences	283	306
Law	38	47
Engineering-Architecture	48	58
Mathematics-Statistics	26	31
Other	144	129
<b>TOTAL</b>	<b>539</b>	<b>571</b>

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

### Improvement of Human Resources

Participation opportunities are provided for staff members to in-service training, domestic and overseas courses, seminars and similar training activities 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.

2019 was a busy year in terms of training activities due to the “Basic and Preparatory Trainings” participated by the newly recruited personnel of the Agency and the number of participants increased by 17.1% and the number of training days increased by 12.3% with respect to the previous year. In this period, a total of 2,708 days of training were provided by 1,403 participants in Turkey and abroad, and the number of training days per participant was 1.93 days.

**Table 27: Local and International Training Activities**

Number			Change Compared to Previous Year (%)	
	2018	2019	2018	2019
Number of Attendees	1,198	1,403	+25.82	+17.11
Number of Days	2,411	2,708	+8.79	+12.32
Number of Days per Attendee	2.01	1.93	-12.60	-3.98

The top three trainings in terms of the number of days were orientation (basic training), banking and finance. The number of attendees and days of training were 257 attendees and 740 days in orientation, 226 attendees and 627 days in banking, and 199 attendees and 422 days in finance.

**Table 28: Training Activities by Subject**

Subjects	Number of Attendees		Number of Days	
	2018	2019	2018	2019
Orientation	44	257	44	740
Banking	186	226	581	627
Finance	137	199	247	422
Personal Development	91	280	118	291
IT	37	116	75	178
Accounting	108	41	237	122
Law	68	97	174	98
Other	208	187	431	230
<b>Total</b>	<b>879</b>	<b>1,403</b>	<b>1,907</b>	<b>2,708</b>

The Agency personnel attends overseas seminars and meetings organized by international institutions and foreign banking authorities on banking, economy, law, accounting, risk management, IT and other professional areas of expertise. The Basel Banking Supervision Committee (BCBS) meetings participated in 2019 ranked in the top position.

**Table 29: Distribution of International Training Activities by Organizing Institutions**

Organizations	Number of Days		Share %	
	2018	2019	2018	2019
BCBS	50	41	23.9	24.7
BIS	6	16	2.9	9.7
IFSB	9	10	4.3	6.0
IMF	51	2	24.4	1.2
FSB	3	0	1.4	0
FDIC	24	0	11.5	0
Equivalent Authorities	20	0	9.6	0
BRSA	21	0	10.0	0
Other	25	97	12.0	58.4
<b>Total</b>	<b>209</b>	<b>166</b>	<b>100%</b>	<b>100%</b>

Personnel was not sent for overseas post-graduate training in 2019. However, 9 professional employees 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	2019
Number of Personnel	20	19	14	9	8	1	5	2	0

In 2019, overseas education costs decreased by 68.1% to TL 528 thousand, and domestic and overseas course costs increased by 32.8% to TL 247 thousand with respect to the previous year. In 2019, total education costs decreased by 57.9% to TL 775 thousand and the share of education costs in total costs was 0.7% with a decrease of 0.8 points with respect to the previous year.

**Table 31: Training Costs**

(TL Thousand)	2013	2014	2015	2016	2017	2018	2019
Cost of Overseas Education (*)	6,086	4,476	4,254	2,137	1,677	1,654	528
Domestic and Overseas Course Costs	493	303	201	66	216	186	247
<b>Sum of Training Costs</b>	<b>6,579</b>	<b>4,779</b>	<b>4,455</b>	<b>2,203</b>	<b>1,893</b>	<b>1,840</b>	<b>775</b>
<b>Share in Total Costs (%)</b>	<b>6.6</b>	<b>4.7</b>	<b>4.2</b>	<b>2.0</b>	<b>2.0</b>	<b>1.5</b>	<b>0.7</b>

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

## ➤ Information Resources

### Library Services

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 information and the improvements in the field of information technology, the library services of the Agency started to focus only on electronic information source services as of 2016. In this context, we have obtained 12 subscriptions to national and international databases on economy, banking, law, statistics and news in 2019. In addition, various databases were made available to the Agency personnel for trial throughout the year.

### Journal of BRSA Banking and Financial Markets

The Agency publishes the Journal of BRSA Banking and Financial Markets, a peer-reviewed journal published 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 journal, 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. 10 original articles were shared with the users through the website as part of the two new issues of the Journal of BRSA Banking and Financial Markets published in 2019.

## ➤ 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 2019 Budget prepared in line with this Law and confirmed by the Board Decision 7998 dated 21/09/2018. It was confirmed by TGNA and made effective with "2019 Central Management Budget Law" No. 7156 issued in the duplicate Official Gazette No. 30642 dated 31/12/2018.

Within the scope of this budget, total budget revenues were estimated as TL 730 million and actualized as TL 724 million. The revenues are distributed as participation income collected from banks and other audited institutions with 94% and interest income from large-scale TL deposit accounts with 6%.

**Table 32: Finance Budget and Realization**

TL Thousand	Budget		Realization		Difference (Actual-Budget)	
	2018	2019	2018	2019	2018	2019
Participation Share Income	426,190	679,540	427,008	679,530	818	-10
Other Income	23,810	50,460	42,155	44,564	18,345	-5,896
Interest Income	23,150	50,110	41,395	43,421	18,245	-6,689
Other Various Income	660	350	760	1,143	100	793
<b>TOTAL</b>	<b>450,000</b>	<b>730,000</b>	<b>469,163</b>	<b>724,094</b>	<b>19,163</b>	<b>-5,906</b>

On the other hand, TL 296 million portion of the budget realized revenue of TL 724 million was spent in 2019. The highest expenditure items among the total expenditures have been current transfers totaling to TL 178 million and personnel expenses totaling to TL 78 million. In this sense, among total expenditures:

- 60% current transfers
  - 26% personnel expenses,
  - 10% purchase of goods and services,
  - 3% premiums paid to Social Security Institution for the personnel,
  - 1% capital expenses,
- are included.

**Table 33: Budget and Expenditure Realization**

TL Thousand	Starting Allowance		Expenditures		Remaining	
	2018	2019	2018	2019	2018	2019
Personnel Costs	170,955	241,179	63,055	77,812	107,900	163,367
SGK Premium Payments	19,584	36,872	5,544	7,193	14,040	29,679
Purchase of Goods & Services	49,486	38,499	31,811	29,625	17,675	8,874
Current Transfers	41,205	66,710	38,648	178,563	2,557	-111,853
Capital Costs	168,770	346,740	1,095	3,331	167,675	343,409
<b>TOTAL</b>	<b>450,000</b>	<b>730,000</b>	<b>140,153</b>	<b>296,524</b>	<b>309,847</b>	<b>433,476</b>

Agency's expenditures are distributed by expenditure unit as the Support Services Department with 39% and Audit Departments by 16%.

## ➤ Financial Tables

As of the end of 2019, the balance sheet sum of the Agency grew by approximately 17% and reached to TL 1,388 million when compared to the previous year. The largest share among the assets is the Corporate Receivables under the Single Treasury Corporate Account, with TL 1,206 million and the second largest item is fixed assets with TL 174 million. On the liabilities side, short-term liabilities are the biggest item with TL 805 million.



**Table 34: Summary Balance Sheet**

TL Thousand	2018	2019
<b>Assets</b>		
<b>1 Current Assets</b>	<b>1,009,673</b>	<b>1,215,281</b>
10 Liquid Assets	983,751	25
12 Receivables from Operations	2,655	357
14 Other Receivables	0	1,205,938
15 Inventories	3,761	4,308
16 Prepayments	112	161
18 Expenses Pertaining to Future Months and Income Accruals	3,970	4,491
<b>2 Fixed Assets</b>	<b>174,028</b>	<b>173,695</b>
<b>Total Assets</b>	<b>1,183,701</b>	<b>1,388,976</b>
<b>Liabilities</b>		
<b>3 Short Term Liabilities</b>	<b>3,337</b>	<b>804,540</b>
32 Payables from Operations	79	0
33 Deposit Foreign Assets	303	327
36 Other Liabilities	2,955	3,255
38 Short-term Prepaid Income and Accrued Expenses	0	800,958
<b>4 Long Term Liabilities</b>	<b>680,907</b>	<b>2,011</b>
47 Provisions for Debts and Expenses	1,377	2,011
48 Incomes Pertaining to Future Years and Expenditure Accrual	679,530	0
<b>5 Equity</b>	<b>499,457</b>	<b>582,425</b>
50 Net Value	171,319	171,319
59 Period Operating Results	328,138	411,106
<b>Total Liabilities</b>	<b>1,183,701</b>	<b>1,388,976</b>

As per Article 101 of the Banking Law, the excess revenues of the Agency are transferred to the general budget as income in March. The 2019 excess revenues were transferred to the budget as TL 411.1 million.

**Table 35: Transfers to General Budget**

	2018	2019	Total (2003-2019)
TL Million (Current prices)	328.1	411.1	2,166.2
TL Million (March 2020 prices)*	367.0	411.1	3,759.6
Million USD	60.1	64.6	754.7

\* The transfer amounts are indicated in March 2020 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



**ANNEX 1: Institutions Subject to the Authority of the Agency \***

ORDER	TYPE OF ESTABLISHMENT / NAME*
	<b>DEPOSIT BANKS</b>
1	AKBANK T.A.Ş.
2	ALTERNATİFBANK A.Ş.
3	ANADOLUBANK A.Ş.
4	ARAP TÜRK BANKASI A.Ş.
5	BANK MELLAT
6	BANK OF CHINA TURKEY A.Ş.
7	BURGAN BANK A.Ş.
8	CITIBANK A.Ş.
9	DENİZBANK A.Ş.
10	DEUTSCHE BANK A.Ş.
11	FİBABANKA A.Ş.
12	HABİB BANK LİMİTED
13	HSBC BANK A.Ş.
14	ICBC TURKEY BANK A.Ş.
15	ING BANK A.Ş.
16	INTESA SANPAOLO S.P.A.
17	JP MORGAN CHASE BANK NATIONAL ASSOCIATION
18	MUFG BANK TURKEY A.Ş.
19	ODEA BANK A.Ş.
20	QNB FİNANSBANK A.Ş.
21	RABOBANK A.Ş.
22	SOCIETE GENERALE S.A.
23	ŞEKERBANK T.A.Ş.
24	T.C. ZİRAAT BANKASI A.Ş.
25	TURKISH BANK A.Ş.
26	TURKLAND BANK A.Ş.
27	TÜRK EKONOMİ BANKASI A.Ş.
28	TÜRKİYE GARANTİ BANKASI A.Ş.
29	TÜRKİYE HALK BANKASI A.Ş.
30	TÜRKİYE İŞ BANKASI A.Ş.
31	TÜRKİYE VAKIFLAR BANKASI T.A.O.
32	YAPI VE KREDİ BANKASI A.Ş.

**DEVELOPMENT AND INVESTMENT BANKS**

1	AKTİF YATIRIM BANKASI A.Ş.
2	BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş.
3	DİLER YATIRIM BANKASI A.Ş.
4	GSD YATIRIM BANKASI A.Ş.
5	İLLER BANKASI A.Ş.
6	İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
7	MERRILL LYNCH YATIRIM BANK A.Ş.
8	NUROL YATIRIM BANKASI A.Ş.
9	PASHA YATIRIM BANKASI A.Ş.
10	STANDARD CHARTERED YATIRIM BANKASI TÜRK A.Ş.
11	TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
12	TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.
13	TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.

**PARTICIPATION FINANCE INSTITUTIONS**

1	ALBARAKA TÜRK KATILIM BANKASI A.Ş.
2	KUVEYT TÜRK KATILIM BANKASI A.Ş.
3	TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
4	TÜRKİYE FİNANS KATILIM BANKASI A.Ş.
5	VAKIF KATILIM BANKASI A.Ş.
6	ZİRAAT KATILIM BANKASI A.Ş.

**BANKS UNDER SDIF**

1	ADABANK A.Ş.
2	BİRLEŞİK FON 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	HALIÇ 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	SİEMENS 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.O.
23	YATIRIM FİNANSAL KİRALAMA A.Ş.
FACTORIZING 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	ARENA FAKTORİNG A.Ş.
8	ATAK FAKTORİNG A.Ş.
9	ATILIM FAKTORİNG A.Ş.
10	BAŞER FAKTORİNG A.Ş.
11	BAYRAMOĞLU FAKTORİNG A.Ş.
12	C FAKTORİNG A.Ş.
13	CREDITWEST FAKTORİNG A.Ş.
14	ÇAĞDAŞ FAKTORİNG A.Ş.
15	ÇÖZÜM FAKTORİNG A.Ş.
16	DENİZ FAKTORİNG A.Ş.
17	DESTEK FAKTORİNG A.Ş.
18	DEVİR FAKTORİNG A.Ş.
19	DOĞA FAKTORİNG A.Ş.
20	DORUK FAKTORİNG A.Ş.
21	EKO FAKTORİNG A.Ş.

22	EKSPO FAKTORİNG HİZMETLERİ A.Ş.
23	FİBA FAKTORİNG A.Ş.
24	GARANTİ FAKTORİNG A.Ş.
25	GLOBAL FAKTORİNG HİZMETLERİ A.Ş.
26	GSD FAKTORİNG A.Ş.
27	HALK FAKTORİNG A.Ş.
28	HUZUR FAKTORİNG A.Ş.
29	ING FAKTORİNG A.Ş.
30	İSTANBUL FAKTORİNG A.Ş.
31	İŞ FAKTORİNG A.Ş.
32	KAPİTAL FAKTORİNG A.Ş.
33	KENT FAKTORİNG A.Ş.
34	KREDİ FİNANS FAKTORİNG HİZMETLERİ A.Ş.
35	LİDER FAKTORİNG A.Ş.
36	MERT FİNANS FAKTORİNG HİZMETLERİ A.Ş.
37	MNG FAKTORİNG A.Ş.
38	OPTİMA FAKTORİNG A.Ş.
39	PAMUK FAKTORİNG A.Ş.
40	PARAFİNANS FAKTORİNG A.Ş.
41	QNB FİNANS FAKTORİNG A.Ş.
42	SARDES FAKTORİNG A.Ş.
43	SÜMER FAKTORİNG A.Ş.
44	ŞEKER FAKTORİNG A.Ş.
45	ŞİRİNOĞLU FAKTORİNG A.Ş.
46	TAM FAKTORİNG A.Ş.
47	TEB FAKTORİNG A.Ş.
48	TRADEWİND FAKTORİNG A.Ş.
49	TUNA FAKTORİNG A.Ş.
50	ULUSAL FAKTORİNG A.Ş.
51	VAKIF FAKTORİNG A.Ş.
52	VDF FAKTORİNG A.Ş.
53	YAPI KREDİ FAKTORİNG A.Ş.
54	YAŞAR FAKTORİNG A.Ş.
55	YEDİTEPE FAKTORİNG A.Ş.
56	ZORLU FAKTORİNG A.Ş.

FINANCING COMPANIES	
1	ALJ FİNANSMAN A.Ş.
2	DORUK FİNANSMAN A.Ş.
3	EVKUR FİNANSMAN A.Ş.
4	HEMENAL FİNANSMAN A.Ş.
5	KOÇ FİAT KREDİ FİNANSMAN A.Ş.
6	KOÇ FİNANSMAN A.Ş.
7	MERCEDES BENZ FİNANSMAN TÜRK A.Ş.
8	ORFİN FİNANSMAN A.Ş.
9	ŞEKER MORTGAGE FİNANSMAN A.Ş.
10	TEB FİNANSMAN A.Ş.
11	TIRSAN FİNANSMAN A.Ş.
12	TURK FİNANSMAN A.Ş.
13	TURKCELL FİNANSMAN A.Ş.
14	VFS FİNANSMAN A.Ş.
15	VOLKSWAGEN DOĞUŞ FİNANSMAN 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 HABİB LİMİTED TURKEY REPRESENTATIVE OFFICE
7	BANK J. SAFRA SARASIN AG TURKEY REPRESENTATIVE OFFICE
8	BANK JULIUS BAER&CO.LTD. TURKEY REPRESENTATIVE OFFICE
9	BANK OF BAHRAIN AND KUWAIT TURKEY REPRESENTATIVE OFFICE
10	CAIXABANK S.A. TURKEY REPRESENTATIVE OFFICE
11	COMMERZBANK A.G. TURKEY REPRESENTATIVE OFFICE
12	CREDIT EUROPE BANK N.V. TURKEY REPRESENTATIVE OFFICE
13	CREDIT INDUSTRIEL ET COMMERCIAL (CIC) TURKEY REPRESENTATIVE OFFICE
14	DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH TURKEY REPRESENTATIVE OFFICE
15	DEMİR-HALK BANK (NEDERLAND ) N.V. TURKEY REPRESENTATIVE OFFICE
16	DOHA BANK TURKEY REPRESENTATIVE OFFICE
17	DUBAI ISLAMIC BANK TURKEY REPRESENTATIVE OFFICE
18	DZ BANK A.G. TURKEY REPRESENTATIVE OFFICE

19	EMIRATES NBD BANK P.J.S.C. TURKEY REPRESENTATIVE OFFICE
20	GARANTIBANK INTERNATIONAL N.V. TURKEY REPRESENTATIVE OFFICE
21	HUNGARIAN EXPORT-IMPORT BANK PLC. TURKEY REPRESENTATIVE OFFICE
22	ING BANK N.V. TURKEY REPRESENTATIVE OFFICE
23	JSC BANK OF GEORGIA TURKEY REPRESENTATIVE OFFICE
24	KEB HANA BANK TURKEY REPRESENTATIVE OFFICE
25	KENTBANK D.D. TURKEY REPRESENTATIVE OFFICE
26	KFW IPEX-BANK GMBH TURKEY REPRESENTATIVE OFFICE
27	LANDESBANK BADEN-WÜRTTEMBERG TURKEY REPRESENTATIVE OFFICE
28	MIZUHO CORPORATE BANK LTD. TURKEY REPRESENTATIVE OFFICE
29	NATIXIS SA TURKEY REPRESENTATIVE OFFICE
30	NEAR EAST BANK LIMITED TURKEY REPRESENTATIVE OFFICE
31	NOMURA BANK INTERNATIONAL PLC TURKEY REPRESENTATIVE OFFICE
32	OYAK ANKER BANK GMBH TURKEY REPRESENTATIVE OFFICE
33	QINVEST LLC TURKEY REPRESENTATIVE OFFICE
34	RABOBANK INTERNATIONAL TURKEY REPRESENTATIVE OFFICE
35	STATE BANK OF INDIA TURKEY REPRESENTATIVE OFFICE
36	SUMITOMO MITSUI BANKING CORPORATION TURKEY REPRESENTATIVE OFFICE
37	THE BANK OF NEW YORK MELLON TURKEY REPRESENTATIVE OFFICE
38	THE EXPORT-IMPORT BANK OF KOREA TURKEY REPRESENTATIVE OFFICE
39	UBS A.G.TURKEY REPRESENTATIVE OFFICE
40	UNION BANCAIRE PRIVÉE, UBP SA TURKEY REPRESENTATIVE OFFICE
41	ZİRAAT BANK INTERNATIONAL AG TURKEY REPRESENTATIVE OFFICE
<b>ASSET MANAGEMENT COMPANIES</b>	
1	ADİL VARLIK YÖNETİM A.Ş.
2	ARMADA VARLIK YÖNETİM A.Ş.
3	ARSAN VARLIK YÖNETİM A.Ş.
4	BİRİKİM VARLIK YÖNETİM A.Ş.
5	BİRLEŞİM VARLIK YÖNETİM A.Ş.
6	BOĞAZİÇİ VARLIK YÖNETİM A.Ş.
7	DENGE VARLIK YÖNETİM A.Ş.
8	DOĞRU VARLIK YÖNETİM A.Ş.
9	DÜNYA VARLIK YÖNETİM A.Ş.
10	EFES VARLIK YÖNETİM A.Ş.
11	EMİR VARLIK YÖNETİM A.Ş.

12	GELECEK VARLIK YÖNETİM A.Ş.
13	HAYAT VARLIK YÖNETİM A.Ş.
14	HEDEF VARLIK YÖNETİM A.Ş.
15	İSTANBUL VARLIK YÖNETİM A.Ş.
16	MEGA 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	AGD ANADOLU GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
13	AKADEMİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
14	AKTİF GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
15	ALAN TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
16	ALESTA KURUMSAL GAYRİMENKUL 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	ÇELEN KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
36	ÇINAR TAŞINMAZ DEĞERLEME VE MÜŞAVİRLİK A.Ş.
37	ÇİZGİ GAYRİMENKUL DEĞERLEME A.Ş.
38	D TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
39	DEGA GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
40	DEĞER GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
41	DEMİR GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
42	DENGİ GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
43	DETAY TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
44	DGD GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
45	DİZAYN GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
46	DONATI GAYRİMENKUL DEĞERLEME A.Ş.
47	DORA GAYRİMENKUL DEĞERLEME A.Ş.
48	DÖNÜŞÜM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
49	DÜNYA GRUP GAYRİMENKUL DEĞERLEME DANIŞMANLIK A.Ş.
50	DÜZEY GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
51	EGE TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
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	FOREKS GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
66	FORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
67	GALATA TAŞINMAZ DEĞERLEME VE DANIŞMANLIK HİZMETLERİ A.Ş.
68	GEDAŞ GAYRİMENKUL DEĞERLEME A.Ş.
69	GERÇEK GAYRİMENKUL DEĞERLEME A.Ş.
70	GİRİŞİM GAYRİMENKUL DEĞERLEME A.Ş.
71	GOLD GAYRİMENKUL DEĞERLEME EKSPERTİZ VE DANIŞMANLIK A.Ş.
72	GORDİON TAŞINMAZ DEĞERLEME 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 A.Ş.
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	ÖZEN TAŞINMAZ DEĞERLEME VE DANIŞMANLIK A.Ş.
102	ÖZTÜRK GAYRİMENKUL DEĞERLEME A.Ş.
103	PİRAMİT GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
104	PLATFORM GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
105	PRİM E GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
106	RASYONEL GRUP TAŞINMAZ DEĞERLEME A.Ş.
107	REEL GAYRİMENKUL DEĞERLEME A.Ş.
108	REFERANS GRUP GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.
109	REHBER GAYRİMENKUL DEĞERLEME 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.
	<b>RATING COMPANIES</b>
1	JCR AVRASYA DERECELENDİRME HİZMETLERİ A.Ş.
	<b>PAYMENT INSTITUTIONS**</b>
1	AYPARA ÖDEME KURULUŞU
2	BPN ÖDEME KURULUŞU
3	BURADAÖDE ÖDEME KURULUŞU
4	CEO ÖDEME HİZMETLERİ
5	EFIX ÖDEME HİZMETLERİ
6	ELEKSE YETKİLİ VEZNE ÖDEME KURULUŞU
7	FATURAKOM ÖDEME HİZMETLERİ
8	FATURAMATİK ÖDEME KURULUŞU
9	FÖY FATURA ÖDEME KURULUŞU
10	GLOBAL ÖDEME HİZMETLERİ
11	GÖNDERAL ÖDEME HİZMETLERİ
12	İSTANBUL ÖDEME KURULUŞU
13	KLON ÖDEME KURULUŞU
14	MOKA ÖDEME KURULUŞU
15	MONEYGRAM TURKEY ÖDEME HİZMETLERİ
16	N KOLAY ÖDEME KURULUŞU
17	NESTPAY ÖDEME HİZMETLERİ
18	OCTET EXPRESS ÖDEME KURULUŞU
19	ÖDEAL ÖDEME KURULUŞU
20	PARAGRAM ÖDEME HİZMETLERİ
21	PAY FIX ÖDEME HİZMETLERİ
22	PAYNET ÖDEME HİZMETLERİ
23	PAYTR ÖDEME HİZMETLERİ
24	PAYTREK ÖDEME KURULUŞU HİZMETLERİ
25	PAYU ÖDEME KURULUŞU

26	PRATİK İŞLEM ÖDEME KURULUŞU
27	RIA TURKEY ÖDEME KURULUŞU
28	SENDER ÖDEME HİZMETLERİ
29	TAM FATURA ÖDEME HİZMETLERİ
30	TREND ÖDEME KURULUŞU
31	TRONAPAY ÖDEME HİZMETLERİ
32	TT ÖDEME HİZMETLERİ
33	UPT ÖDEME HİZMETLERİ
34	VEZNE24 TAHSİLAT SİSTEMLERİ VE ÖDEME HİZMETLERİ
35	VIZYON TAHSİLAT SİSTEMLERİ VE ÖDEME HİZMETLERİ
36	WESTERN UNION TURKEY ÖDEME HİZMETLERİ
	<b>ELECTRONIC MONEY INSTITUTIONS</b>
1	AKÖDE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
2	BELBİM ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
3	BİRLEŞİK ÖDEME HİZMETLERİ VE ELEKTRONİK PARA
4	CEMETE ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
5	D ÖDEME ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
6	ERPA ÖDEME HİZMETLERİ VE ELEKTRONİK PARA
7	HIZLI PARA ÖDEME HİZMETLERİ VE ELEKTRONİK PARA
8	İNİNAL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ
9	İYİZİ ÖDEME VE ELEKTRONİK PARA HİZMETLERİ
10	OZAN ÖDEME HİZMETLERİ VE ELEKTRONİK PARA
11	PALADYUM ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
12	PAPARA ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
13	SİPAY ELEKTRONİK PARA VE ÖDEME HİZMETLERİ
14	TURK ELEKTRONİK PARA
15	TURKCELL ÖDEME VE ELEKTRONİK PARA HİZMETLERİ
16	TT ÖDEME VE ELEKTRONİK PARA HİZMETLERİ
17	VODAFONE ÖDEME VE ELEKTRONİK PARA HİZMETLERİ
18	WIRECARD ÖDEME VE ELEKTRONİK PARA HİZMETLERİ



	INDEPENDENT AUDITING COMPANIES
1	A-1 YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
2	AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
3	ADALYA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
4	AKSİS BAĞIMSIZ DENETİM A.Ş.
5	AKTAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
6	ANIL YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
7	ARTI DEĞER ULUSLARARASI BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
8	ATA ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
9	AVRASYA BAĞIMSIZ DENETİM VE YMM A.Ş.
10	BDO DENET BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
11	BİRLEŞİK UZMANLAR YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
12	CONSULTA BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
13	CROWE HORWATH OLGU BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
14	DENGE BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
15	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
16	DRT YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.
17	ECOVIS DEĞER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
18	ELİT BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.
19	ENGİN BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİLİK MALİ MÜŞAVİRLİK A.Ş.
20	GÜNCEL BAĞIMSIZ DENETİM DANIŞMANLIK VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

21	<b>GÜNEY BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.</b>
22	<b>GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.</b>
23	<b>HLB SAYGIN BAĞIMSIZ DENETİM A.Ş.</b>
24	<b>IHY BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
25	<b>IŞIK YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM A.Ş.</b>
26	<b>İRFAN BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
27	<b>KAVRAM BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
28	<b>KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.</b>
29	<b>MBK BAĞIMSIZ DENETİM VE SMMM A.Ş.</b>
30	<b>MERCEK BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
31	<b>MGI BAĞIMSIZ DENETİM S.M.M.M. A.Ş.</b>
32	<b>MOD BAĞIMSIZ DENETİM SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.</b>
33	<b>PWC BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.</b>
34	<b>REHBER BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
35	<b>SER&amp;BERKER BAĞIMSIZ DENETİM A.Ş.</b>
36	<b>TÜRKERLER BAĞIMSIZ DENETİM YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.</b>
37	<b>ULUSAL BAĞIMSIZ DENETİM VE YMM A.Ş.</b>
38	<b>YKY BAĞIMSIZ DENETİM VE YMM A.Ş.</b>

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

\*\* Responsibilities regarding Payment Institutions and Electronic Money Institutions were transferred to the Central Bank of the Republic of Turkey at the start of 2020 in the context of the provisions of the Law No. 7192 that entered into force upon publication on the Official Gazette No. 30956 dated 22/11/2019.



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