



annual report 2018

Contents

Turkish Capital Markets Association (TCMA)	1
Organization Structure	4
Milestones	6
Board of Directors	8
Board of Auditors	10
Discipline Committee	11
Executives	12
Our Team	13
Overview of 2018	16
Initiatives	24
Professional Committees	29
Investor Education	30
Research and Publications	33
Meetings and Events	35
International Relations	43
Training	46
Information Technology	49
Media Relations	50
Memberships	51
Investments	54
Oversight and Dispute Resolution	55
Inquiries	56
Auditors' Report	57
Independent Auditor's Report	58
Financial Statements	60



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TCMA

We are a self-regulatory organization established in 2001 by the Capital Market Law. Our members are banks, brokerage firms and asset management companies, investment trusts that are authorized for capital market operations.

What We Do?

- We set safety measures aimed at preventing unfair competition.
- We assist in the resolution of disputes arising from off-exchanges transactions among our members or between our members and investors.
- We cooperate with related foreign institutions.
- We conduct research for the development of the capital markets.
- We monitor professional developments, changes in rules and regulations and inform our members.
- We offer training programs for the market professionals.
- We design and run investor education programs.



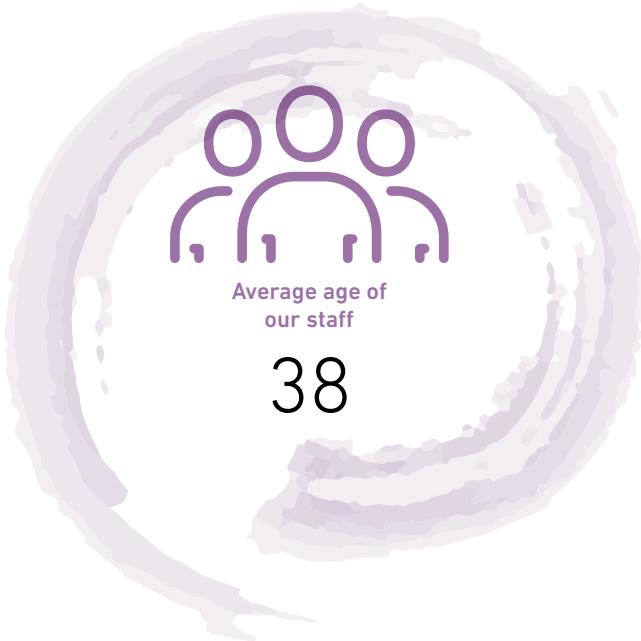
we drive progress

Through our informed and leader management and expert team, we analyze the industry's problems and formulate solution suggestions that will drive the industry's progress based on strategic plans built on constructive approaches. We serve as the reference guide of the industry with our know-how and expertise in the capital markets, the data and reports we offer, and the training programs and informative activities we organize.

Organization Structure

4

TCMA 2018 ANNUAL REPORT



Total number of employees

30

Ph.D.

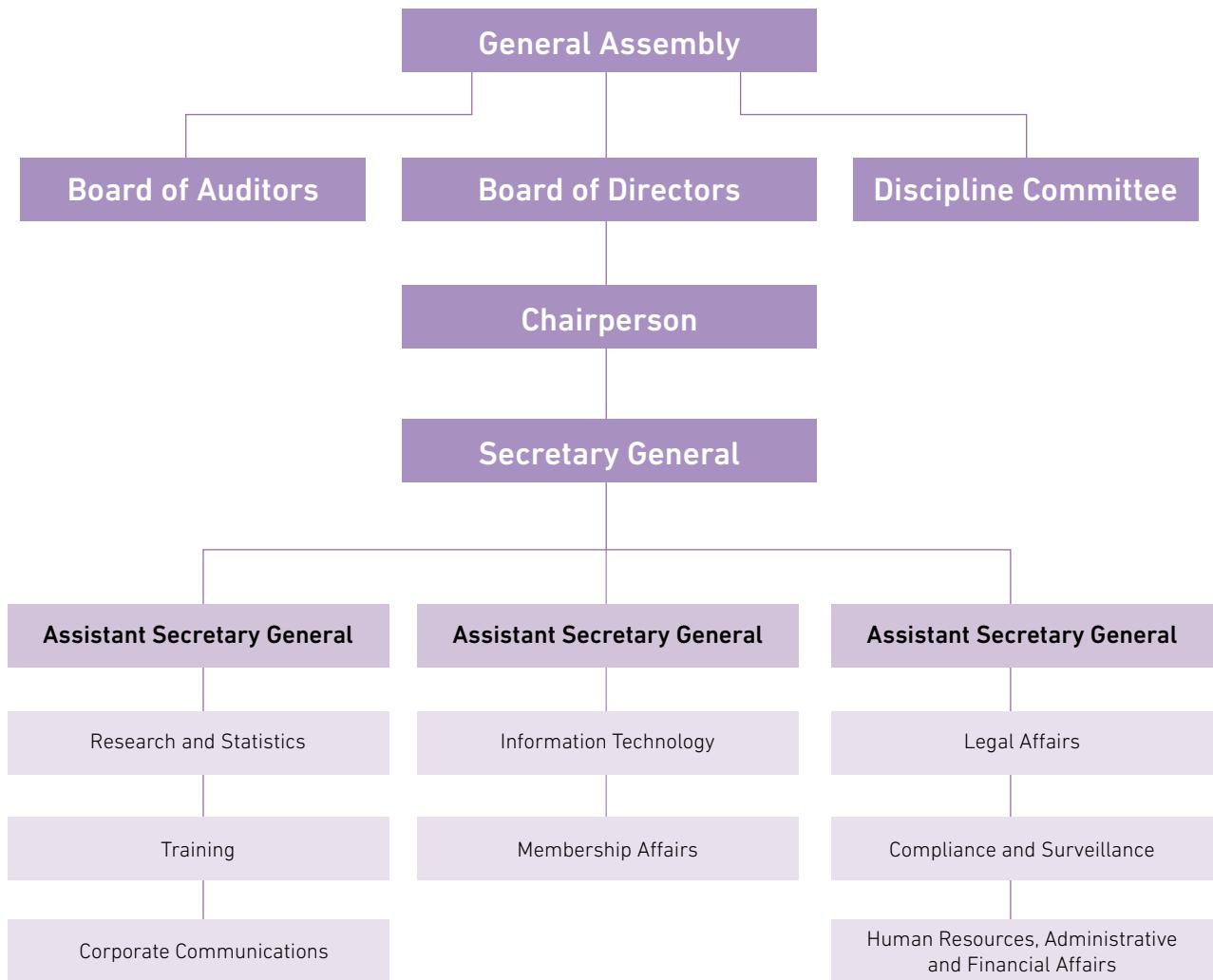
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master's

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graduate

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Milestones



2001

- TSPAkB founded.
- The first general meeting held.
- The first membership meeting held.
- Professional Rules published.
- Disciplinary Regulation announced.

2002

- First booklet published.
- First panel discussion organized.
- TSPAkB website went live.
- First annual report printed.
- First monthly magazine published.
- Licensing exam preparation trainings started.
- First press conference held.

2003

- Professional development training started.
- Rules of Arbitration released.
- Joined International Organization of Securities Commission (IOSCO)

2004

- TurkDEX trainings initiated.
- First university campus visits paid.

2005

- A questionnaire was administered regarding the Capital Markets Activities.

2006

- Joined International Council of Securities Associations (ICSA).

2007

- Global Financial Centers and Istanbul report was released.

2008

- First annual report in English published.
- Personal development trainings begun.

2009

- Compliance Program Development Guide for Brokerage Firms published.
- Joined Asia Securities Forum (ASF), Federation of Euro-Asian Stock Exchanges (FEAS) and the International Forum for Investor Training (IFIE).
- The Association's Disaster Recovery Center launched.

2010

- Joined Asia Forum for Investor Training as a founding member (AFIE).
- First-ever licensing exams organized by TSPAkB.
- Financial Statements Guide for Brokerage Firms released.
- First international conference held.
- First overseas event organized in South Korea.

- 100th issue of the monthly "Agenda in Capital Markets" published.

- Various data concerning financial statements of brokerage firms demanded by the Central Bank of the Republic of Turkey (CBRT) were integrated in the Association's data collection forms and began to be collected at the Association

2011

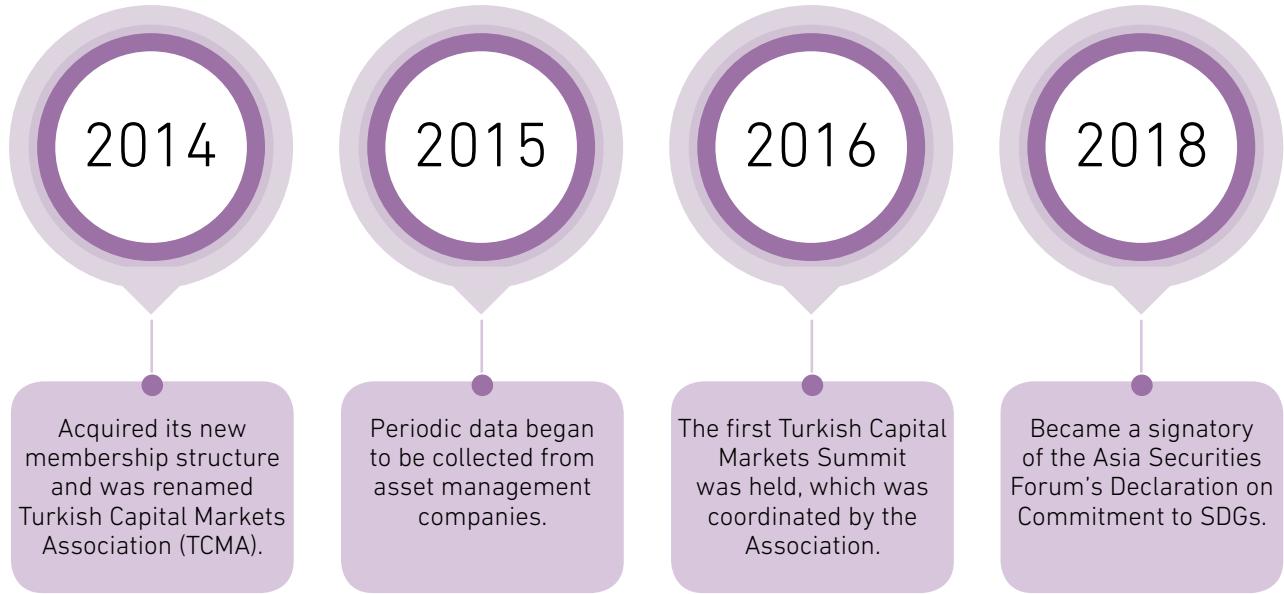
- 10th year in operation finished.
- Tenth edition of the Turkish Capital Market Annual Review published.

2012

- Investor training began through social media accounts.
- The Association hosted the meeting of the ICSA ve IOSCO SROCC.
- Free training was provided for university students.
- Cooperation agreements were signed with the Korean Stock Exchange and the Japan Association of Intermediary Institutions.
- Member data began to be collected using the Association's proprietary Member Management System software.

2013

- Social network accounts of the Association were activated.



- www.paramveben.org (My Money and I) website went live as part of investor education.
- "Kamera Elinde Gelecegin Cebinde" (Camera in Your Hand, Future in Your Pocket) short film contest was organized for the second time.
- "TSPAkB Public Offering Principles" were developed.

2014

- The Association of Capital Market Intermediary Institutions of Turkey (TSPAkB) acquired its new membership structure with the inclusion of asset management companies and investment trusts, and was renamed Turkish Capital Markets Association (TCMA).
- Various professional committees, sub-committees and task forces were set up at the Association.
- The first issue of the *Gosterge* publication was released.
- The Association was elected as a member of the FEAS (Federation of Euro-Asian Stock Exchanges) Board of Directors.

2015

- Under the new Association Statute, Turkish Capital Markets Association Disciplinary Guidelines were updated and entered into force upon being published in the Official Gazette.

- Periodic data began to be collected from asset management companies.
- The first capital markets scholarships began to be granted.

2016

- Client Dispute Arbitration Committee was set up under the Association.
- "TCMA Capital Markets Award Ceremony" debuted.
- Informative seminars were initiated for chambers of industry members.
- The Association began to be appraised in cash collective investment instruments.
- The first Turkish Capital Markets Summit was held, which was coordinated by the Association.
- The Association hosted the annual meeting of the International Forum for Investor Education (IFI).
- The Association began to undergo independent audit by a firm offering Sworn Financial Advisory service.
- The first personal budget management training was offered.

2017

- The Association and the Turkish Appraisers Association (TDUB) co-published the "International Valuation Standards".

- Investor education began to be co-organized with the members for the first time.
- The first B2B contacts between the manufacturing industry companies and the Association members took place during the "Turkish Capital Markets Summit 2017".
- The first issue of the international peer-reviewed journal titled "Journal of Capital Markets Studies" was published.
- The Association was elected to the ICSA Board of Directors to represent the Europe area.

2018

- The Directive on Provisions to be Set Aside by Mutual Funds was published.
- "Recommendations and Action Plan for the Development of the Capital Markets" report was released.
- The first Vision Meeting was held as a co-organization of the Association and TKYD (Corporate Governance Association of Turkey).
- The Association became a signatory of the Asia Securities Forum's Declaration on Commitment to Sustainable Development Goals along with the leading capital markets representatives in the Asia-Pacific region.

Board of Directors



Erhan Topac
Chairman
Gedik Investment
Chairman of Executive Board



S. Alp Keler, Ph.D., CFA
Deputy Chairman
Akbank (Private Banking and Wealth Management)
Executive Vice President



Murat Guler
Board Member
A1 Capital Investment
Chairman of Executive Board



Serdar Surer
Board Member
Halk Invest
General Manager and Executive Board Member



Hasan Ecesoy, Ph.D.
Board Member
Vakifbank
Executive Vice President



O. Okan Alpay
Board Member
Tacirler Investment
General Manager and Executive Vice President



Tevfik Eraslan
Board Member
Is Asset Management
Chief Executive Officer



I. Goksin Durusoy
Board Member
Akis Real Estate Investment Company
General Manager and Executive Board Member



Sinasi Bayraktar
Board Member
Association of Appraisal Experts of Turkey
Chairman of Executive Board



Prof. Guler Aras
Independent Board Member



Sule Korkmaz, Ph.D.
Independent Board Member

Board of Auditors



Adnan Bahar
Audit Board Member
Bahar Securities
Chairman of Executive Board



A. Albert Krespin
Audit Board Member
Deutsche Securities Istanbul
General Manager and Vice Chairman of Executive Board



C. Cemil Ozenc, Ph.D.
Audit Board Member
Denizbank
Executive Vice President



M. Selim Yazici
Audit Board Member
TEB Asset Management
General Manager and Executive Board Member



Mehmet Ahkemoglu
Audit Board Member
Alarko Real Estate Investment Company
Executive Board Member

Discipline Committee



H. Husnu Guzeloz
Discipline Committee Member
Dogus Real Estate Investment Trust
Executive Board Member



A. Bulent Altinel
Discipline Committee Chairman
ING Securities
General Manager and Executive Board Member



Ozgul Cevik
Discipline Committee Member
Sanko Invest
General Manager and Executive Board Member



Izzet Sahin
Discipline Committee Member
Anadolubank
Vice Chairman of Executive Board



M. Emin Ozer
Discipline Committee Member
Albaraka Asset Management
General Manager and Executive Board Member

Executives



Ilkay Arikан
Secretary General



O. Ilker Savuran
Assistant Secretary General
Research and Statistics
Training
Corporate Communications



Suleyman Morbel
Assistant Secretary General
Legal Affairs
Compliance and Surveillance
Human Resources, Administrative
and Financial Affairs



Adalet Polat
Assistant Secretary General
Information Technology
Member Relations



Executives

1- Ilkay Arikan
Secretary General

2- O. Ilker Savuran
Assistant Secretary General

3- Suleyman Morbel
Assistant Secretary General

*** Adalet Polat**
Assistant Secretary General

Directors

4- Ekin Fikirkoca Asena
Research and Statistics
Director

5- Engin Turan
Human Resources,
Administrative and
Financial Affairs Director

6- Esra Esin
Compliance and
Surveillance Director

**7- Gokhan Buyuksevur,
Ph.D.**

Training Director

8- Telman Sahbazoglu
Information Technology
Director

9- Tugba Ogan
Corporate Communications
Director

Employees

10- Asli Hondu Imamoglu
Member Relations
Assistant Director

11- Ceylan Anil
Research and Statistics /
Assistant Specialist

12- Cihan Cosgun
Information Technology /
Software Specialist

13- Cagla Eralp
Training / Specialist

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TSPBTÜRKİYE
SERMAYE
PIYASALARI
BİRLİĞİTÜRKİYE
SERMAYE
PIYASALARI
BİRLİĞİ

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14- Deniz Kahraman
Research and Statistics /
Specialist**15- O. Eda Cabbar**
Corporate
Communications / Senior
Specialist**16- Gokben Cevikcan**
Research and Statistics /
Assistant Director**17- Gulcan Yalciner**
Human Resources,
Administrative and
Financial Affairs /
Assistant Chief**18- H. Onur Salturk**
Research and Statistics /
Senior Specialist**19- Hulya Kandemir**
YilmazHuman Resources,
Administrative and
Financial Affairs / Chief**20- Kerim Karakaya**
Human Resources,
Administrative and
Financial Affairs /
Assistant Director**21- Atty. K. Burcu Mert**
Legal Affairs / Senior
Specialist**22- Muzaffer Demirci**
Human Resources,
Administrative and
Financial Affairs /
Administrative Support**23- Atty. Nil Ayav Tural**
Legal Affairs / Senior
Specialist**24- Nilufer Gevenoglu**
Corporate
Communications / Senior
Specialist**25- N. Deniz Sanli**
Corporate
Communications /
Assistant Specialist**26- Serhat T. Isler**
Compliance and
Surveillance / Senior
Specialist**27- Sevda Uslu**
Compliance and
Surveillance / Senior
Specialist**28- Sadiye Selek**
Human Resources,
Administrative and
Financial Affairs / Office
Services**29- Unal Ozkan**
Legal Affairs / Specialist



Our Team



we are strong

We are a strong organization drawing on the support extended by our prestigious members and our corporate governance.



We have submitted our reports prepared with the common mind for the development of capital markets to our regulatory agencies and shared them with the public.

Distinguished Members,

Turkish Capital Markets Association (TCMA) takes on an important mission to help thrive our sector. In a bid to duly perform this mission, we have initiated work in various areas to determine our roadmap upon taking over the duty. Our priority topics were defined as broadening the investor base, undertaking necessary initiatives to evolve Istanbul into a globally competitive financial center, contacting the related authorities about the sector's current issues (distance contracts being disallowed, lack of access to central databases, high costs, and the like), expanding our institutional investor base and investing the funds created therefrom more heavily in the capital market in a healthier manner, increasing recognition of the capital markets by the public, utilizing the accumulated funds at the Investor Compensation Center for driving the capital market further, and making contacts to develop the "investment institution" business model.

In order to achieve these targets, we kept representing the sector in the most efficient manner through even more proactive efforts by our Association. To this end, we set up task forces for headings that we considered to be crucial for the development of the sector.

We have considered Istanbul International Financial Center (IFC) as the top priority of all of these initiatives so that our market would be vested in a competitive structure, establish itself firmly on the global arena, and become a center of attraction. We extended support to all related efforts and projects through every step of the way. We voiced the need for creating a competitive and attractive financial ecosystem at every opportunity we got. We did, and will continue to, give support for the realization of various initiatives including the elimination of tax-related incompatibilities, establishment of specialty courts, expanding the prevalence of interest-free finance, and improvement of investor rights.

In these efforts, our Association focused on acting jointly with our stakeholders and communicating our efforts to broader audiences. In keeping with this goal, and within the frame of our Association's roadmap, we held monthly meetings participated by the Association's officials and representatives of the Borsa Istanbul Group comprised of Borsa Istanbul, Central Registry Agency (MKK) and Istanbul Clearing, Settlement and Custody Bank Inc. (Takas Istanbul). In these meetings, we worked towards strengthening the relations between the Association members and the sector professionals so as to vest our market in a more competitive structure, establish our market on the global platform and make sure that the IFC project comes to life.

We Have Submitted our Reports Prepared with the Common Mind to Regulatory Agencies and Shared them with the Public

As TCMA, we firmly believe that we need to have a strong and healthy capital market for a strong and healthy Turkey. In this direction, we concentrated on our initiatives at the TCMA and across the sector. In common wisdom meetings attended by the entire sector, we devised concrete recommendations for further developing our capital market, which we compiled in a report and presented to regulatory agencies. Our report covered 43 recommendations categorized under 5 main headings. The most fundamental one among them was designating our capital market, which offers both financing and risk management instruments, as the strategic sector and owning it at the highest level. Our vision was supported by Berat Albayrak, T.R. Minister of Treasury and Finance, who stated that "for healthy growth, the burden of financing needs to be distributed in a much more balanced manner between money markets and capital

markets" at our General Meeting that he honored with his presence.

The Capital Market Law describes our Association as a self-regulatory professional organization in public institution status. One of our duties and powers in this framework is "to create policies to help develop the activities of capital markets and member enterprises, and make decisions for their implementation". Within the frame of this duty and authority, the "Directive on the Provisions to be Set Aside by Mutual Funds" began to be implemented from August based on the TCMA Board of Directors decision. We have taken the necessary steps for the enforcement of this Directive by our Members, which is important with respect to self-regulation of the sector.

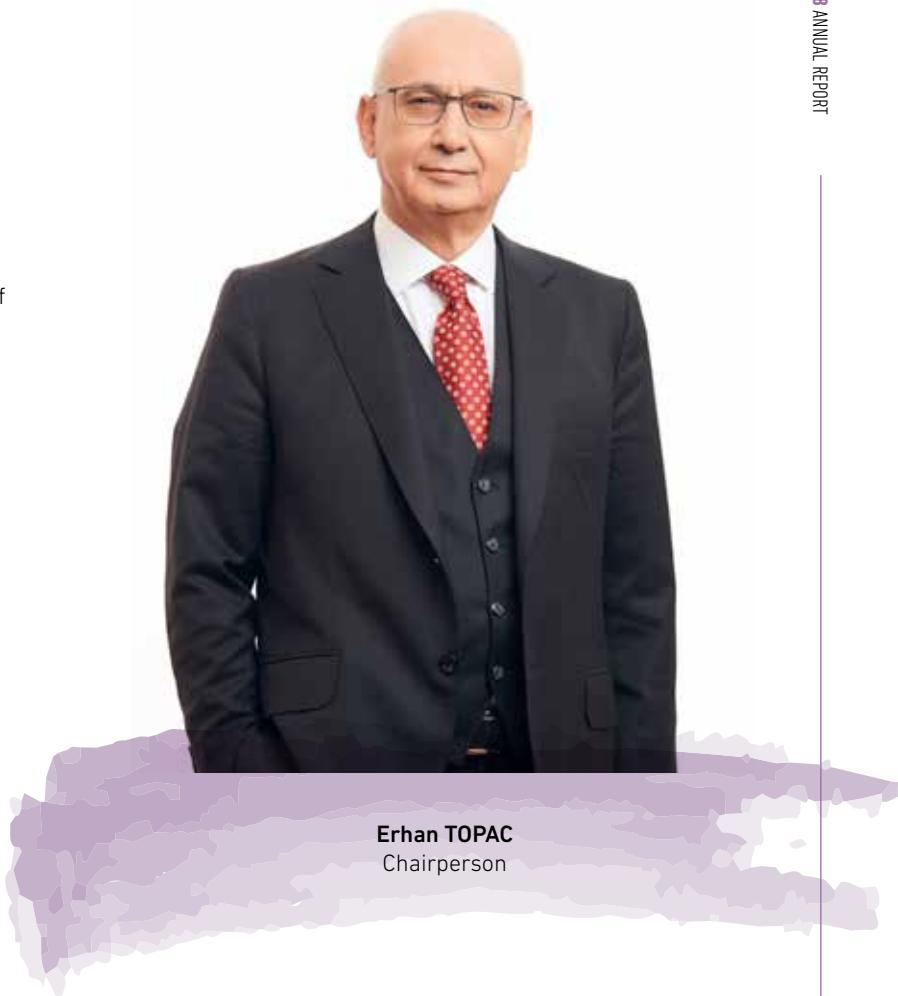
On another note, we have set up a task force at the Association for identifying the problems associated with the issuance of corporate bonds and their secondary market, and for devising solution suggestions. We have submitted our report to the Capital Markets Board of Turkey (CMB), which was produced by this task force and covered suggestions related to healthy development of the corporate bond market, as well as to issuance of these bonds, public disclosure rules, liquidity, and monitoring of the issuer risk.

We Have Completed the Work for the Establishment of a Mortgage Financing Institution

We have completed our work in relation to the establishment of a Mortgage Financing Institution, which will be realized in cooperation with the major actors in financial markets for developing the securitization activities, and presented the same to relevant authorities. We have suggested to constitute the shareholding and management structure of the institution from among professional organizations similar to TCMA active in the Turkish financial services sector. Based on these recommendations, the structure of the shareholders of the company was identified in 2019.

Being the Dispute Center, We Have Continued to the Arbitration Committee Reviews

Client Disputes Arbitration Committees were set up for the first time in 2016 at the Association for the resolution of disputes, which is one of our key duties and responsibilities. The two-year terms of



Erhan TOPAC
Chairperson

Overview of 2018

We have completed the 3rd Turkish Capital Markets Summit with the participation of 134 panelists and over 8 thousand attendees.

office of the Committees' members expired in 2018, and the members who will serve in the new term were designated by the Association's Board of Directors from among the submissions. Client Disputes Arbitration Committee received 455 applications since its establishment to date, 267 of them directly and the remaining 188 through the CMB. 237 of these files have been decided.

We Have Organized International Events to Promote our Sector

As TCMA, we are also carrying out activities to promote our capital markets on the international arena and to raise awareness. In this context, we attended the 31st Annual General Meeting of ICSA (International Council of Securities Associations) held in June in Taipei and hosted by the Intermediary Institutions Association of Taiwan. Founded in 1988 to serve as a bridge between national capital markets and to ensure information flow, ICSA has 19 members including the USA, Germany, Canada, Japan and Korea. A member of ICSA since 2006, our Association has been reelected to the ICSA Board of Directors representing the Europe Area at the latest meeting held.

Within the scope of the ongoing relations between our Association and the Korea Financial Investment Association (KOFIA), we hosted a delegation of 11 people consisting of

the KOFIA Chairman and Korean real estate investment trust CEOs in our country in July. During this visit, we facilitated the Korean finance professionals' contacts with the institutions in our country.

On 2 November 2018 in Bali, we have become a signatory of the Asia Securities Forum's Declaration on Commitment to Sustainable Development Goals along with the leading capital market representatives of the Asia-Pacific region. In addition, we will be hosting the 2019 ASF General Assembly in Istanbul.

Throughout the year, our Association organized various events to discuss the current topics on the agenda and to increase recognition of our sector by the public. Most of these events have become traditional events for the sector, and brought together experts from Turkey and from foreign countries.

We Have Built on our Relations with the Media

In 2018, we held press conferences participated by the members of the Association's Board of Directors and Board of Auditors. We talked about our suggestions for developing the capital market, the Association's projects, and our Members' data for the first half of 2018 within the framework of the new term economy policies. We shared information about the current situation of the capital market, and the first 9 months' data of 2018 of intermediary institutions and asset management companies. During 2018, 476 news articles about our Association were featured in the press, 256 on TV channels, and 5,063 on the Internet. In 2019, our conferences will be ongoing where we will be sharing information to enlighten the public via the media.

We Have Organized the 3rd TCMA Capital Markets Award Ceremony

On 11 April 2018, we held the third edition of the TCMA Capital Markets Award Ceremony, which we launched in 2016 to contribute to the development and increased recognition of our sector. With this event that we have debuted three years ago, our goal is to increase the recognition of our sector on one hand, while strengthening the collaboration and solidarity within the sector on the other hand. In a bid to make the event more comprehensive, we added 24 different branches to our award categories this year, and we distributed awards to 36 institutions/individuals in 44 categories. This year, we have also added the "Capital Market Honorary Service Award" to recognize the doyens who have provided services in our sector, generated innovative and inspiring ideas in relation to the capital markets, and contributed to drive the capital market forward. We are proud to witness that our award ceremony, which

is now established as an annual event, attracts an ever-increasing interest and arouses thrill in the sector.

We Have Realized the Capital Markets Vision Meeting

In October, our Association and the Turkish Institutional Investment Managers' Association (TKYD) co-organized the vision meeting themed "Contribution of Capital Markets as a Driver to the Economy and the Real Sector, Opportunities and Action Steps for their Improvement". A special session titled "The Importance of Capital Markets for the Development of the Turkish Economy" was held on the first day of the two-day event. The first day covered three different panels titled "The Driving Force of the Capital Markets, Their Contribution to the Real Sector and Opportunities for the Turkish Capital Markets", "Private Pension System and Auto Enrolment" and "Asset Management Sector and New Trends". On the second day of the event, task groups were created to work on 12 different headings with the involvement of participants. We have compiled the suggestions developed by task groups in a report and shared it with the public opinion.

We Have Completed the 3rd Turkish Capital Markets Summit with a Broad Participation

The theme of the third "Turkish Capital Markets Summit" held in November was set as "Future". Having CMB among its supporters and the Borsa Istanbul Group as its main sponsor, the summit was successfully brought to completion after 26 panels and 23 training programs in sector-specific topics held during two days. 134 panelists, 15 of whom were from foreign countries, took part in these panels. Surpassing our targeted number, we hosted more than 8 thousand participants in our summit. We had contacts with all the manufacturing companies wishing to obtain funds from the capital markets, to invest their investments in capital markets, and to manage interest/exchange rate risks in the Business-to-Business (B2B) area set up in the summit venue, where real sector companies and TCMA-member intermediary institutions got together.

Sponsored by 29 institutions, our Summit was also supported by 29 civil society organizations and 3 communication partners. The participants in the Summit included more than 250 chairpersons and boards of director's members, over 500 general managers and assistant general managers, more than 1,000 managers and assistant managers, more than 2,000 specialists, over 300 academicians and over 1,600 students.

For the Summit, we carried out a comprehensive publicity campaign on digital media channels, in addition to conventional media. Visited by approximately 200 thousand times by users, the Summit website reached a unique visitor number of 43,209.

We have developed a specific mobile application also this year to allow participants to follow up the Summit more comfortably, as we did in 2017. Named TSPKONGRESI, the mobile app was used by 4,816 people during the Summit. While 5,816 people examined the app on iOS and Android devices, 20,206 sessions were opened on the app. The app was downloaded by 95 people from foreign countries, 73 of them from the US and 22 from UK.

In 2019, we are targeting to expand our Summit so as to achieve even higher participation and to make an impression on the international platforms. We would like to thank once again all our sponsors, our speakers and participants, and to express our wish to hold even more successful summits together in the future.

We Have Carried on with our Investor Education Activities and Training Programs for Sector Professionals

We carried on with our financial literacy initiatives, which is among the key duties of our Association. As part of these initiatives, we realized the fifth edition of the "Camera in Your Hand, Future in Your Pocket" Short Film Contest with the theme "Riddle Scripts", diverging from previous years' themes. We presented the prizes to our finalists in an award ceremony held at Borsa Istanbul Conference Hall.

The second World Investor Week was organized all over the world between 1-7 October 2018. During the week, each country organizes her own events; in this context, the event in Turkey started with the gong ceremony carried out on 1 October 2018 as a joint organization of the Association, CMB and Borsa Istanbul. The event attracted more than 300 participants consisting of representatives from the Association and public institutions, academics, media members and university students.

In addition to investor education, we organized training programs in various topics to facilitate close monitoring of the developments by the sector professionals. Our training programs have been continued in 2018 under the heading "TCMA Training". In this context, a total of 1,380 people took part in 101 programs organized by the Association in 2018. We carried on with the investor training on "Risk



The Sector preserved its robust financial structure, 2019 will be marked as a year of the capital market's increased share in the pie.

Management and Hedging in Volatile Markets" which was initiated in 2017 as a cooperative effort with our members. A total of 465 people took part in the investor training programs organized in cooperation with Antalya, Bursa, Kocaeli, and Ankara Chambers of Industry with market specialist speaker support from our members and with the contribution of renowned economists.

Together with our members, we have initiated investor education programs on "The Role of Capital Market Institutions and Instruments in the Manufacturing Industry's Access to Financing". The education programs are intended to inform companies, investors and interested parties in need of financing and planning to obtain financing from the capital markets about equity offering, debt instrument issuances, company mergers and acquisitions, and to raise awareness of the same. A total of 120 people took part in the investor education co-organized with the Aegean and Denizli Chambers of Industry.

In addition to these activities, in 2018, we kept reaching out to our youth for investing in the future of our capital market. We held seminars attended by approximately 2,600 students at 10 universities across Turkey. In the coming years, we intend to reach a much higher number of people from different cities in Turkey.

Distinguished Members,

Turkish economy was able to complete 2018 by posting 2.6% growth despite the rough conditions. Although the concerns stemming from the growth issues in global economy and trade wars negatively affected the emerging countries and Turkey, our capital market successfully passed this difficult test in 2018.

The Sector Preserved its Robust Financial Structure

In a period characterized by global liquidity crunch, increased interest rates and escalated fluctuations in asset prices, the market capitalization of our Stock Exchange was down by 10% to TL 795 billion in 2018. On the other hand, average daily trading volume increased by 37% in the equity market to TL 8 billion, and by 53% in futures to TL 5 billion. Total assets under management by asset management companies, including private pension funds, rose to TL 173 billion by the end of the year.

This performance reflected also on our members' revenues. The profit posted by intermediary institutions in 2018 grew by 53% and reached TL 1.2 billion, whereas the profit of asset management companies grew by 29% to TL 214 million.

The Most Important Structural Development was Experienced in Savings Growth

The most important development in 2018 in capital markets was experienced in the area of savings growth. With the introduction of auto enrolment system in private pension, over 5 million people began investing their savings in pension funds. The number of private pension participants topped 12 million people. We are anticipating this figure to keep increasing with the inclusion of workplaces with 5 to 9 employees in auto enrolment scope in 2019.

Capital Markets Provided Funding to the Real Sector

Another development that will positively influence our sector was in the area of creating funds for the real sector, which is the main function of capital markets. During 2018, funds worth approximately TL 90 billion were provided to companies through capital increases, public offerings and bond issuances.

Activities for Deepening the Capital Markets Continued

An important step was taken to generalize securitization activities in our country, which are heavily used in international capital markets: the Development and Investment Bank of Turkey carried out an asset-backed securities issue in December 2018. The success of this issue worth TL 3.15 billion can be regarded as a turning point in

the capital markets. We are anticipating such activities to contribute to increased number of investment instruments and types traded on the capital markets in the future. Moreover, we are of the opinion that our Mortgage Finance Institution suggestion will serve to the securitization of loans through a customized structure based on scale economy.

2019 will be Marked as a Year of the Capital Market's Increased Share in the Pie

We believe that 2019 will see the simplification of the capital market legislation, provision of taxation incentives for revenues derived on capital market instruments, redesigning of the private pension system architecture, investment of savings through the capital market, and introduction of incentives for increasing the capital market's share in the financing of the manufacturing industry. Accordingly, we have proactively set up task groups formed of sector professionals and we have taken steps to convey healthy information to public decision-makers in relation to the incentives and measures to be adopted.

We believe that implementation of incentives and measures for deepening our capital market together with the Istanbul International Financial Center vision will serve to create a competitive and attractive financial ecosystem where national and foreign investors will be able to invest their savings, our manufacturing industry will have easier access to longer-term, lower-cost funds, and thus, contribution will be lent to consistent growth of the national economy.

The future holds two crucial years during which capital markets will deepen. If we are talking about a healthy system, development of capital markets is of particular significance. We are expecting the incentives and measures that will pave the way for the thriving of the capital market will be taken under the leadership of the T.R. Presidency in 2019. With the adoption of the capital market as the strategic sector, we are wishing that robust steps will be taken to increase its share in financing.

Distinguished Members,

Since we have taken office in May 2018, we have worked with the target of strengthening our capital markets. My colleagues on the Board of Directors and I firmly believe that the steps we will be taking throughout our term of office will take us further in achieving this target.

We will continue to collaborate with all stakeholders in order to make our country an international financial center. We hope that we will create a stronger capital markets ecosystem in the future with the support of our stakeholders. Since, we are among the world's 20 largest economies; we believe that to bring the capital markets to its deserved level should be among our priority targets. I would like to take this opportunity to thank all our stakeholders and primarily the CMB and Borsa Istanbul for their unwavering support, you, our esteemed members, for your continued trust and support, my colleagues who have served on our Boards of Directors and Boards of Auditors, and the valuable employees of our Association.

Yours sincerely,



Erhan TOPAC
Chairperson



we are reliable

We are a reliable organization as we represent all of the capital market institutions in our country based on our status as a professional organization, our strict adherence to regulations, and our impartial, fair, transparent and ethical approach that we have embraced as our main principles.



*Our innovative efforts
aimed at deepening and
strengthening our sector
continued in 2018.*

Changes to the Regulatory Framework

The Capital Market Law no. 6362 entered into force upon being published in the Official Gazette on 30 December 2012. Ancillary regulations to the new Capital Market Law were enforced on various dates following the enforcement of the Law.

In a bid to help develop the capital markets, the Association initiated a study about the regulatory changes that need to be made in the Capital Market Law and ancillary regulations in force in order to:

- simplify the legislation,
- identify the problems experienced in practice due to the Capital Market Law and the ancillary regulations in force and solution of these problems,
- devise new practices that can be introduced to drive the development of capital markets.

As the first step, member feedbacks and suggestions were collected in relation to regulatory changes in view of the entire regulatory framework governing the capital market, which will be taken into consideration in the relevant studies to be carried out.

In line with the member feedbacks and suggestions, four task forces were set up depending on their fields of activity: Intermediary Activities Legislation, Companies Financing Legislation, Institutional Investors Legislation, Other Legislation. These task forces began working to compile and

develop the feedbacks and suggestions of the Association and relevant non-governmental organizations.

Account Opening Processes of Investment Firms and Capital Market Transactions General Framework Agreement

With the Association's General Letter no. 799, the members were informed about the decisions passed in the Capital Markets Board of Turkey (CMB) meeting numbered 18 held on 16 April 2018 as a result of the Association's attempts for enabling conclusion of distance contracts between investment firms and customers and for facilitating the account opening processes. The said decisions are summarized below:

- As part of the investment firms' obligation to conclude a written contract with their customers concerning the activities and services to be furnished under the CMB Communiqué on Establishment and Activities of Investment Firms, the relationship between an investment firm and investors may be established by having the Capital Market General Framework Agreement signed, without prejudice to the provisions of the Law no. 5549 on Prevention of Laundering Proceeds of Crime dated 11 October 2006 and of other applicable legislation;
- Once the contractual relationship is established by having the "Capital Market General Framework Agreement" signed, and before the commencement of trading, customers' signatures must be obtained on framework agreement(s) covering detailed provisions that will form the basis of investment services and activities

and individual transactions associated with subordinate services to be offered to customers in accordance with the procedures and principles set out separately in Communiqués (including the electronic environment) and any and all other regulatory obligations must be fulfilled;

- At the time of the signing of the "Capital Market General Framework Agreement", the obligations under Article 25 of the Communiqué on Investment Firms regarding the communication of risks to the customers must be satisfied;
- Investment firms must make available the sample framework agreements covering the detailed provisions that will form the basis of investment services and activities and individual transactions associated with subordinate services to be offered to the customers in a manner allowing access thereto from the home pages of their websites.

Reconciliation Regarding Custody Accounts with Customers

"Article 68 - Reconciliation between Customer and Custodian" of the Capital Markets Board of Turkey (CMB) Communiqué on Investment Services, Activities and Ancillary Services (Investment Services Communiqué) sets out the obligation to make a reconciliation between the customers receiving custody services and the authorized custodian about the customer's capital market instruments and cash in writing or via electronic media at least once every calendar year. The problems experienced by our members and their hesitations associated with this obligation were described and our suggestions in relation to the obligatory reconciliation were submitted to the CMB.

Feedbacks and Suggestions Regarding the Implementation Principles of the Derivatives Market (VIOP)

An "Expanded Intermediary Institutions Professional Committee" was held on 13 August 2018 at the Association with the representative of the Association member intermediary institutions to discuss the effects of the extraordinary changes in currency rates upon national capital markets and to restrain the possible domain of the risks arising in the markets.

While the meeting mostly focused on the impact of the highly volatile exchange rates upon the transactions carried out on the Derivatives Market (VIOP) operated under Borsa İstanbul and the risks borne by the system, the feedbacks and suggestions about the related market practice and principles that came to the fore in the meeting were conveyed to the Capital Markets Board of Turkey and Borsa İstanbul.

Within the frame of the Association's feedbacks and suggestions, Borsa İstanbul and İstanbul Clearing,

Settlement and Custody Bank Inc. (Takasbank) took the necessary actions and updated the collaterals so as to decrease leverage ratios, thus mitigating the potential risk exposure of intermediary institutions and investors.

Real Estate Appraisal Minimum Fee Tariff

Our members' feedback and suggestions regarding the "Real Estate Appraisal Minimum Fee Tariff" prepared by the Capital Markets Board of Turkey (CMB) for implementation in 2019 and "Real Estate Appraisal Minimum Implementation Principles" were communicated to the CMB. 2019 minimum fee tariff was determined within the frame of the Association's feedback and suggestions.

National Electronic Notification System

Pursuant to the Electronic Notification Regulation published in the Official Gazette dated 6 December 2018, notifications to all public institutions and agencies and private legal persons must be made electronically from 1 January 2019. Under the said obligation, the notifications among the Association members and public institutions and other real and legal persons must be submitted via the national electronic notification system (UETS).

Within the frame of the Electronic Notification Regulation, all information and documents demanded by the PTT Inc. (Turkish Post) to create electronic notification addresses for the Association members were provided to PTT via our Association and thus, facilitated the creation of electronic notification addresses.

Suggestions for Developing the Corporate Bonds Market

It was observed that in the recent past, certain issuer companies defaulted with their interest and principal amount liabilities, failed to satisfy their public disclosure obligations, and liquidity was limited in the secondary markets. In this context, a task force was set up to identify the problems related to corporate bond issuances and secondary markets, and to devise solution suggestions.

The Task Force compiled suggestions to foster the healthy development of the corporate bond market including the issuance process, public disclosure rules, and measures to promote the liquidity and monitor issuer risk, which were submitted to the Capital Markets Board of Turkey (CMB).

Furthermore, meetings were held with the CMB, Ministry of Justice, and the Justice Commission of the Turkish Parliament to discuss the problems faced in judicial and enforcement processes in case of default associated with corporate bonds.

Initiatives

Initial Collateral Practice for Leveraged Trading Transactions

Article 27 of the Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services (the Communiqué) covers revisions regarding maximum leverage ratio applied in leveraged trading transactions and collaterals.

However, due to practical concerns, the Association requested the Capital Markets Board of Turkey's (CMB) opinion about the matter to ensure uniformity across all intermediary institutions authorized to carry out leveraged trading transactions. The CMB's letter in response was announced to our members via the General Letter no. 795.

Withholding Practice for Income on Repurchase Agreements

Feedback was requested from the Revenue Administration to clarify whether our members have withholding obligation for income generated on reverse repurchase agreements to be derived by the European Bank For Reconstruction and Development (EBRD), so as to ensure uniformity of practice among our members.

The Revenue Administration's explanation that the interests to be derived by the EBRD from repo/reverse repo transactions should not be subjected to withholding under the (Law No. 193) Personal Income Tax - Provisional Article 67 was announced to our members with the General Letter no.800.

Investor Compensation Center Dues

Our opinions and suggestions regarding the reduction of the payments made by investor firms to the Investor Compensation Center (ICC) based on their assessment with respect to the intermediation costs incurred by our industry were conveyed to the Capital Markets Board of Turkey's (CMB).

In relation to our application, the CMB decided as follows in its meeting no. 47 held on 27:

- To abolish the decision adopted in the CMB meeting no. 6 held on 26 February 2016 for increasing the dues charged based on leveraged trading transactions, which read "The rates set out in Article 21(4) of the ICC Regulation be increased by half under Article 21(9).
- To decrease the coefficients in relation to leveraged trading transactions covered under Article 21 (4) of the ICC Regulation by 50%, until and unless a different decision is adopted by the CMB.

Memo on Steps to be Taken and Expectations from the Viewpoint of the Sector

Upon request by the Ministry of Treasury and Finance, the memo about the hardships experienced in the markets our members are operating, quantitative analyses and determinations in relation to the same, and the steps necessary to be taken with respect to the sector or expectations for a stronger financial system in the context of the developments in national economy and financial system was drafted upon compiling the opinions and suggestions of Professional Committees.

"Report on Suggestions and Actions Action Plan for the Development of the Capital Market" produced by the Association and made public was submitted to the Ministry of Treasury and Finance in attachment to the memo.

Suggested Revisions to the Withholding Tax Rate

The Presidential Decree no. 53 dated 30 August 2018 published in the Official Gazette issue 30521 dated 31 August 2018 revised the withholding taxes applied to the following for a period of three months in the context of Provisional Article 67 of the Income Tax Law no. 193:

- Interests accrued on FC deposit accounts and dividends paid by participation banks on FC participation accounts,
- Interests on deposits,
- Withholding taxes deducted from dividends paid by participation banks in return for participation accounts.

Under this decree, considering that the withholding tax rates to be applied from 31 August 2018 through 30 November 2018 would constitute disadvantage for capital market products (debt instruments, lease certificates and mutual funds) that qualify as alternative products of deposit and participation accounts and might lead to significant withdrawals particularly from mutual funds, we have presented to the Ministry of Treasury and Finance our opinion and suggestions that the withholding tax reduction should be applied at the same rate to mutual funds and debt instruments as well.

The fact that withholding rates on these alternative capital market products were kept constant posed a disadvantage for our capital markets during the three-month enforcement period, and significant outflows (approximately 20%) occurred particularly from mutual funds.

Our opinion and suggestions that in the event the implementation period of the practice would be extended by a new decree prior to 30 November 2018 that marks the expiration of the term of the decree, withholding tax rate

on basic capital market products such as mutual funds and borrowing instruments (T-bills, government bonds, corporate bonds, lease certificates) should also be reduced at similar ratios applied to deposit and participation accounts.

Tax Council's Activities

Taking active part in the Income Tax and Corporate Tax-related activities of the Tax Council, the Association contributed to the production of the Sub-Working Group report on "Income on Securities and Gains on Appreciation" and presented the said report in the Tax Council General Meeting.

T.R. Ministry of Treasury and Finance Tax Expenditures Report

Data about revenues derived in 2017 on equity and securities investment trust equity trading on the basis of investor groups were gathered from our members for use as input in the Tax Expenditures report of the T.R. Ministry of Treasury and Finance, and were submitted to the Ministry.

Notification Obligation for Asset Management Companies

A request was filed for asset management companies' not to be obliged to make a notification within the scope of the Guidelines for Determining Residency Status of asset management companies. As a result of this application, the need for obtaining a password for mutual funds became no longer necessary with the response of the T.R. Ministry of Treasury and Finance dated 26 June 2018.

Promotion Campaigns

Pursuant to the Capital Markets Board of Turkey requirements, promotion campaigns in relation to capital market activities by intermediary institutions and banks are notified to the Association prior to implementation, and planned campaigns can be held only after applications are reviewed and approved. During 2018, the Association reviewed 37 applications by members and informed the related parties on its conclusions.

Questionnaire on Equity Market Transactions

A questionnaire was administered seeking the opinions regarding the trial period for displaying member codes in transaction terminal queries throughout the session in Equity Market transactions by Borsa İstanbul, and their simultaneous delivery to data distribution companies, and to determine the sector's opinions and suggestions regarding the final decision to be made by Borsa İstanbul regarding displaying the party data in transactions.

Turkish Capital Markets Association's 57 members, who were accountable for 91.4% of the total trading volume on

the equity market in 2017, participated in the questionnaire conducted by the Association. A great majority of the respondents' opinions outweighed toward displaying the party information for the orders realized on all equity market instruments including BIST30 in transaction terminal queries throughout the session and toward their simultaneous delivery to data distribution companies. Outcomes of the questionnaire covering our members' opinions and suggestions about the practice were submitted to Borsa İstanbul.

Since the two test runs in relation to the practice described above gave rise to no adverse effects on the market so far, Borsa İstanbul decided to introduce the practice on all equity market instruments as of 2 May 2018.

Derivatives Market (VIOP) Trading Hours

Morning Session Hours:

The Association administered a questionnaire regarding the members' opinions and suggestions in relation to moving the commencement time of continuous trading session limited to the FC Derivatives Market ahead from 9:30 to 8:00.

The respondents to the questionnaire carried out in September consisted of 51 intermediary institutions responsible for 81.6% of the total trading volume between January-August 2018, and 19 banks and 3 asset management companies responsible for 0.6% of the trading volume. Questionnaire results covering the members' opinions and suggestions were shared with Borsa İstanbul and opinions regarding the implementation were exchanged.

Evening Session Hours:

The Association administered a questionnaire to form the sector's opinions and suggestions regarding increasing the trading hours of Borsa İstanbul and İstanbul Clearing, Settlement and Custody Bank Inc. (Takasbank) and the technical work for evening session practice that will last until 11:00 p.m. after the normal session hours.

The respondents of the questionnaire aimed at identifying the members pursuing evening session practice and at the implementation of the evening session consisted of 48 intermediary institutions realizing 94% of the total trading volume in the January-August 2018 period. The questionnaire results covering members' opinions and suggestions were shared with Borsa İstanbul.

FinTech Search Conference

"FinTech Permanent Sub-working Group" was set up to support the activities of the Systemic Risk Assessment Group in exploring the risks, as well as the benefits of

Initiatives

employing new technology in the provision of financial services and evaluating their impact on the existing financial system.

"FinTech Search Conference" was organized in Ankara on 17 December 2018 within the scope of the activities of the Financial Technology Permanent Sub-working Group established under the leadership of the T.R. Ministry of Treasury and Finance, Banking Regulation and Supervision Agency (BRSA), Central Bank of the Republic of Turkey (CBRT), and the Capital Markets Board of Turkey (CMB). During the conference, the Association and our members presented the sector's opinions and suggestions at the "Capital Market Institutions and Associations Agencies" working group.

Activities for Developing the Capital Market

The Association's opinions and suggestions were requested for nationwide collection of securities financing transaction data and converting them into a reportable format to be submitted to the Financial Stability Board (FSB).

Based on the belief that the sector needs a central risk control system that will ensure risk management in credit and short selling transactions, a Capital Market Risk Control System Project Presentation that the Association had considered in previous years was presented for the information and assessment of the Capital Markets Board of Turkey in March.

Suggestions for Increasing Private Sector Lease Certificate Issuances

Based on Istanbul Financial Center Priority Transformation Program and Action Plan, Component 7, Policy heading no. 4, article 7 that reads "Action will be taken to increase private sector lease certificate issuances", the Association's opinions and suggestions regarding the work carried out by the Capital Markets Board of Turkey were conveyed.

Turkish Exporters' Assembly Questionnaire

The Turkish Exporters' Assembly (TEA) is carrying out the "Top 500 Service Exporters of Turkey" survey to drive the development of the Turkish service industry and reveal its potential. Under the study coordinated by the T.R. Ministry of Economy as it was called at the time, a questionnaire was administered among our members and the outcomes were conveyed to TEA.

Directive about Provisions to be Set Aside by Mutual Funds Published

Directive about Provisions to be Set Aside by Mutual Funds was published on 31 July 2018 by the Association. Taking into consideration the problems encountered in practice,

the said directive was updated and publicly disclosed on 7 December 2018.

Robo Advisory

A letter was presented to the Capital Markets Board of Turkey on 17 September 2018 for the regulation of robotic investment advisory applications.

Side Pocket in Mutual Funds

In relation to mutual funds, work was initiated to launch the side pocket practice available abroad for safeguarding the rights and interests of investors due to borrowing instruments whose issuers default. The sector's opinions about the subject were conveyed to the Capital Markets Board of Turkey on 26 October 2018 and 31 December 2018.

Gold Funds

A letter was presented to the Capital Markets Board of Turkey on 16 November 2018 for updating TEFAS (Turkey Electronic Fund Trading) Platform infrastructure to enable trading of gold funds on TEFAS in terms of gold.

Benchmark Value in Participation Funds

A request was filed on 25 December 2018 for setting the official minimum benchmark in asset management for portfolios managed on participation-basis as BIST-KYD (Turkish Institutional Investment Managers' Association) 1-Month Indicative Profit Share Index in lieu of TR-LIBOR.

Net Inflows/Outflows in Mutual Funds

The Association cooperated with the Central Registry Agency (MKK) throughout the year for the publication of net capital inflow/outflow data in relation to mutual funds.

The Association's Investment Portfolio

In June 2015, the Association's Board of Directors decided to invest the provisions for severance and notice pays for the Association's employees in the mutual funds traded on the Turkey Electronic Fund Trading (TEFAS) Platform, for the dual purpose of securing maximum returns with minimum risk through proper distribution of assets, and of supporting the capital markets.

The preparatory work for the portfolio, and an assessment of its one-year performance were published in the Summer 2018 edition of the Association's quarterly journal, Gosterge. The initial investment amount of TL 1.1 million in March 2016 rose to TL 1.6 million at the end of 2017 and to TL 1.7 million in December 2018. The investment portfolio consisted of a total of 25 securities mutual funds, and generated an after-tax profit of TL 614,529 in total over the course of approximately 3 years.

Professional Committees



Professional committees act as an advisory unit for the Association's Board of Directors.

Pursuant to Article 25 of the Statute of the Turkish Capital Markets Association (the Association), the following committees exist under our Association:

- a) Intermediary Institutions Professional Committee,
- b) Banks Professional Committee,
- c) Asset Management Companies Professional Committee,
- d) Investment Trusts Professional Committee.

Professional Committees have been set up to work on topics in their respective fields assigned to them by the Board of Directors or determined thereby *sua sponte*. They collaborate with other committees if necessary, to form and submit joint opinions and suggestions. They also act as an advisory unit for the Association's Board of Directors.

Since the terms of office of committee members expired at the General Assembly convened on 9 May 2018 during which elections were made for the Association's bodies, our members were informed about the application requirements

for those wishing to serve on Professional Committees in the new period. Applications for memberships on Professional Committees were evaluated at the Association's Board of Directors meeting held on 5 June 2018, and committee members were elected. Professional committee members serving in the new period carried out activities to help thrive the sector within the frame of the Association's roadmap for the period ahead.

During the reporting period, Professional Committee worked on topics that concern their respective groups, and presented their opinions and suggestions to the relevant institutions and the Association's Board of Directors.

Investor Education

30

TCMA 2018 ANNUAL REPORT



Recognizing the contribution of financial education to the advancement of our country, we kept focusing on initiatives in this area together with our stakeholders.

My Money and I Facebook Page

Launched in December 2012, ParamveBen (My Money and I) Facebook page reached 77,374 fans as of 31 December 2018. Receiving positive feedback from many users from various professions, the Facebook page is followed by users from 45 different countries.

My Money and I Twitter Account

Opened in June 2013 and designed in parallel content with the Facebook page, ParamveBen (My Money and I) Twitter account had 1,981 followers as of 31 December 2018.

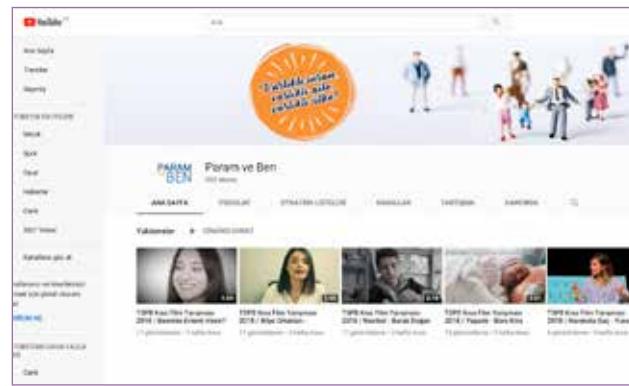
My Money and I YouTube Channel

ParamveBen (My Money and I) YouTube channel features videos about saving and investment that address users of all ages.

The page also covers short films selected by the jury of the Association's annual "Kamera Elinde Gelecegin Cebinde" (Camera in Your Hand, Future in Your Pocket) Short Film Contest, which aim to encourage people to save up and invest. 165 videos featured on the ParamveBen YouTube page that went live in February 2013 reached more than 380,000 views.



My Money and I Facebook Page



My Money and I YouTube Channel

My Money and I LinkedIn Page

Launched in December 2015 in a parallel content with other social media channels, the LinkedIn page reached 166 followers as of 31 December 2018.

"Camera in Your Hand, Future in Your Pocket" Short Film Contest Instagram Page

Launched in September 2017 for reaching larger audiences through social media, "Camera in Your Hand, Future in Your Pocket" Instagram account reached 893 followers.

Paramveben.org Website

Set up to raise broad-based awareness of saving and investment and launched in June 2013, www.paramveben.org website was updated with a revamped interface in December 2015 based on the conviction that a more effective interaction would be secured with the target audience through a visually functional, lively and aesthetic Internet site. Redesigned to offer a more interactive communication with the users, the website covers real life examples and success stories.

The website was visited 31,000 times in 2018, and visitors included people from different countries such as USA, France, Kosovo, Germany, Russia, and UK.

"5th Camera in Your Hand, Future in Your Pocket" Short Film Contest

Organized for the fifth time between 20 April and 12 October 2018, "Camera in Your Hand, Future in Your Pocket" short film contest had defined its concept this year as "Riddle Scripts".

Submissions from all regions of Turkey have been assessed by a jury consisting of Ilkay Arikan, Secretary General of Turkish Capital Markets Association (TCMA), Alp Birol, lecturer in the Faculty of Communications at Galatasaray University, Cuneyt Cebenoyan, columnist and film critic for the daily BirGun, Selin Gurel, film critic and news editor, and Ugur Vardan, film critic and sports editor for the daily Hurriyet.

The results of the contest were announced during the award ceremony held on 11 December 2018 in Borsa Istanbul Conference Hall. The contestants who claimed the top three places received their awards from Ali Fuat Taskesenlioglu, Capital Markets Board of Turkey Chairman, Prof. Erisah Arican, Borsa Istanbul Chairperson, and Murat Cetinkaya, Borsa Istanbul Board Member and CEO.

The maker of the film that best reflected the importance of regularly saving money and making investments was awarded mutual funds worth TL 12,500. While the second and third place prizes were mutual funds worth TL 12,500 and 10,000 respectively, the contestants who ranked in the top 10 received one-day training from TCMA and one-year Red Tulip Membership from Istanbul Foundation for Culture and Arts.



"Camera in Your Hand, Future in Your Pocket" Short Film Contest Award Ceremony



"Camera in Your Hand, Future in Your Pocket" Short Film Contest, First Prize: Samaki"

Investor Education

Investor Education Activities

The Investors section on the Association's corporate website at www.tspb.org.tr was updated. The contents provided under the tabs For the Investors, Investor Rights, Golden Rules of Investment and Turkish Capital Market with Questions for Investors were updated and presented to investors in a more practical format.

Seminars

Upon invitations received from the universities, the Association participated in career days to help the students with their career choice. The Association's Training Director Gokhan Buyuksengur, Ph.D. and the Association's Compliance and Surveillance Senior Specialist Serhat Tahsin Isler attended the events on behalf of the Association and provided detailed information to students about digitalization in the financial services sector, digital sustainability index, new professions and careers arising from digitalization, and Digital Transformation and Career in the capital market. The Association was represented in career days at 10 different universities during 2018.

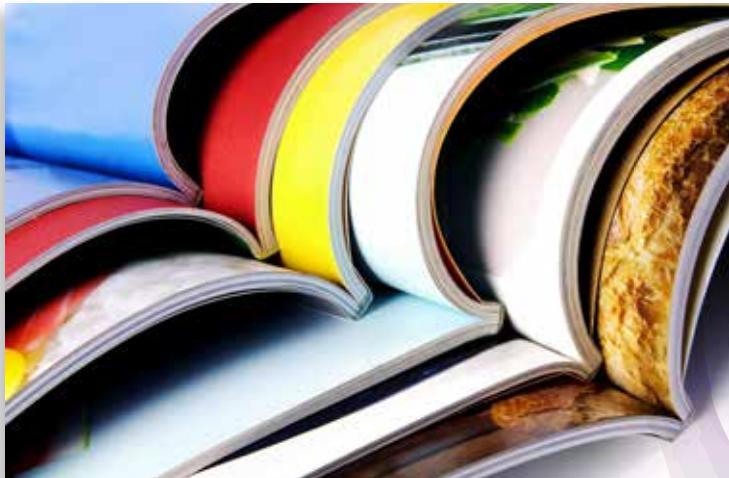
University Events in 2018

Date	Name of University	Number of Attendants
26 April 2018	Karadeniz Technical University	250
3 May 2018	Suleyman Demirel University	200
7 May 2018	Dokuz Eylul University	500
11 October 2018	Mersin University	300
16 October 2018	Ibn Haldun University	150
24 October 2018	Girne American University	300
26 November 2018	Istanbul Aydin University	50
28 November 2018	Pamukkale University	500
19 December 2018	Izmir Katip Celebi University	150
20-21 December 2018	Izmir University of Economics	200
Total		2,600

University Events Between 2011, 2018

Years	Number of Universities	Number of Attendants
2011	39	10,000
2012	21	5,000
2013	20	5,000
2014	21	5,000
2015	15	4,500
2016	10	4,000
2017	13	4,500
2018	10	2,600
Total	149	40,600

Research and Publications



We shared our publications in English and Turkish with large audiences with the purpose of informing the public.

Turkish Capital Markets 2017 Report

The 2017 issue of our annual report, published regularly since 2002, "Turkish Capital Markets" was released in May 2018. The report addresses a historic analysis of the Turkish capital markets, changes in investor preferences and the global as well as domestic macroeconomic developments.

Quarterly Journal

Research articles prepared by the Association are published in our quarterly journal, *Gosterge*. The journal serves as a comprehensive reference for anyone wishing to keep track of the developments in domestic and global financial markets.

2018 issues of the journal analyzed the data on brokerage and asset management companies compiled by the Association and also featured articles on the topics below:

- EU FinTech Action Plan
- Alternative Mutual Funds in the European Union
- Private Pension System in Australia
- Mortgage Lenders in the World
- Securitization in the World
- Universal Basic Income
- FinTech: Financial Technology
- Regulatory Sandbox Implementation in the U.K.
- Capital Market in SME Finance
- MiFID II and Its Impact
- Exercise of Voting Right and Electronic General Meeting
- Trade Wars

- Performance Evaluation of Turkish Capital Markets Association Investments: II. Investment Period

Turkish Capital Markets Review

Analyzing the developments in the capital markets and the brokerage industry during 2017, "Turkish Capital Markets Review 2017" was published in English in May 2018.

Handbook of the Turkish Capital Markets

Association's annual English handbook aims to capture the general structure of the Turkish capital markets, regulatory authorities and key institutions in a single volume. "The Handbook of the Turkish Capital Markets" was published in March.

International Peer-Reviewed Journal - Journal of Capital Markets Studies

The second and third issues of Journal of Capital Market Studies, international peer-reviewed journal that the Association publishes to support the scientific research in the sector, were released in 2018.

Published in cooperation with Emerald Publishing Group, a leading publishing house in its field in the world, the journal aims to cover objective, high-quality articles on a broad range of topics and to create an international debate environment.

Gundem

Intending to communicate the new practices and developments in the sector, the monthly Gundem magazine

Research and Publications

covers news about member firms and the sector, as well as the activities of the Association. The publication continued to be published digitally on the electronic environment since January 2017, and also includes summary financial market data compiled by the Association.

Report on Suggestions and Action Plan for the Development of the Capital Market

Covering opinions and suggestions regarding the fundamental problems our members and stakeholders confront in the capital market, and to help thrive and drive forward the sector in the medium- to long-term, the report was prepared and published by the Association in September. Addressing the steps that need to be taken to make Turkey a regional financial hub and the related policies, the report was presented to the relevant public agencies, associations and societies.

The report, which also incorporated the main headings listed below, suggested 40 actions:

- The capital market should be defined as a strategic sector and must be owned at the highest level.
- Support should be given to direct domestic savings to investments through the capital market channel.
- Support should be given to using the capital market in the financing of the manufacturing industry.
- Investment banking model should be supported and developed.
- A competitive and attractive financial system needs to be created.

Roadmap Workshop Report

The conclusions from the vision meeting themed "The Contribution of Capital Markets as a Driving Force to the Economy and Manufacturing Industry, Opportunities, and Actions for Development" held on 19-20 October 2018 co-organized by the Association and the Turkish Institutional Investment Managers' Association (TKYD) were compiled in a report and made public in December.



The Roadmap Workshop Report covered the sector's issues identified with shared wisdom and suggested solutions for these issues. In addition, the report details all the trends and purposes identified for each heading, concrete targets toward the purposes, and the roadmap for realizing all the suggestions developed in line with these goals.

Periodic Data

Gathering various operational and financial data from brokerage firms ever since its establishment, the Association started collecting the related data also from the asset management companies on a quarterly basis starting in 2015.

From January 2017, the Association also began compiling certain operational and financial data from asset management companies on a monthly basis. In the third quarter of 2018, the transactions performed directly by intermediary institutions via the Direct Market Access (DMA) system were separated for the first time.

"Data Bank" section on our website features capital market factsheet, aggregate financial statements and operational data of brokerage firms and asset management firms, and comparative data on brokerage firms and asset management firms.

Moreover, certain data are submitted to the Central Bank of the Republic of Turkey (CBRT), Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank) and the Turkish Statistical Institute. Our data are used as benchmark by other agencies including the Banking Regulation and Supervision Agency (BRSA), as well as the organizations named above.

Sectoral Data

We monthly publish data on our members and sector under Factsheet on our website. Furthermore, Turkish and English presentations on sectoral data are updated quarterly.

Meetings and Events



We shed light on the sector's future with educational and developmental activities including meetings, seminars, conferences and panels aimed at bringing our institutions together and responding to their demands.

Cooperation between Borsa Istanbul Group and Turkish Capital Markets Association (TCMA)

TCMA officials and the Borsa Istanbul Group (Borsa Istanbul, Central Registry Agency (MKK) and Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank)) held monthly meetings to develop and deepen capital markets within the frame of the Association's future roadmap.

In the meetings, which were organized to evaluate new products and improve the market's operating processes, opinions were exchanged about the implementation principles of the equity market, derivatives market, public offering and debt securities market, as well as about actions to improve and expand the markets.

The topics addressed in these meetings included vesting our market in a more competitive structure through fostering the cooperation between TCMA members and the sector's representatives, ensuring that our market takes place in the global platform, and realization of the Istanbul International Financial Center project. In the monthly meetings, issues and doubts that arise in practice were tackled, and solutions were sought.

Financial Services and Capital Markets Futurism Seminar

Turkish Capital Markets Association held the "Financial Services and Capital Markets Futurism" seminar on 11 January 2018 at the Association, which was attended by 80 people.

Featuring Asst. Prof. Cuneyt Dirican, instructor at Istanbul Arel University, as the speaker, the seminar focused on the path to the fourth industrial revolution, what the new age holds in store for us, whether central banks will remain as the center of banking business, capital markets in the fifth industrial revolution, and financial services.

Seminar on the Accounting- and Taxation-Related Impacts of IFRS 9 and 15 on Companies' Financial Statements

On 25 January 2018, the Turkish Capital Markets Association (TCMA) organized the Seminar on the Accounting and Taxation-Related Impacts of IFRS 9 and 15 on the Financial Statements of Intermediary Institutions and Asset Management Companies at the Association, which was attended by 75 people.

With the opening speech delivered by the TCMA Secretary General O. İlker Savuran, the speakers at the Seminar were KPMG Independent Audit Firm Senior Manager Muharrem Karatas, Senior Manager Ebru Sar Kocak, Director Esma Kabak and Senior Manager Erhan Eren. At the seminar that evaluated the effects of IFRS 9 and IFRS 15 accounting standards upon intermediary institutions, and their taxation-related impacts, Director Servet Gozel provided information about the "Capital Markets Board Information Systems Independent Audit" to the participants.

Meetings and Events

Meeting on LTT Activities

A members meeting was held on 25 January 2018, which was attended by the representatives of our members holding leveraged trading transaction (LTT) authorization.

In the meeting that was intended to discuss LTT activities, key indicators, numeric data and information such as LTT transaction volume, number of customers, customers' collateralization structures, customer complaints and personnel employment were evaluated. Additionally, members' opinions and suggestions regarding the sector's development were presented.

Seminar on Cryptocurrency Law

On 15 February 2018, Turkish Capital Markets Association (TCMA) organized the Seminar on Cryptocurrency Law at the Association, which was attended by 100 people and started with the opening speech of the TCMA Secretary General İlkay Arikān.

The seminar, which featured Bilgesu Demirel, attorney from Ozay Law Office, as the speaker, and attracted intense interest from our members, dealt with blockchain, cryptocurrencies and smart contracts.

Liberalizing the Goddesses Seminar

On 8 March 2018, "Liberalizing the Goddesses Seminar" was held at the Association, which featured Ayse Ayten, personal development and color expert, as speaker. Having drawn high level of interest from the women market professionals, the seminar was attended by 70 people.



3rd TCMA Capital Markets Award Ceremony

Turkish Capital Markets Association (TCMA) Projects Information Meeting

2018 Projects Information Meeting was held at the Association on 28 March 2018 to give a briefing about the projects and initiatives carried out by the TCMA for thriving the capital markets.

Participated by representatives from nearly 50 institutions, the meeting covered presentations on "Our Baby Our Future", Serathon-in Capital Market Marathon, TCMA Capital Markets Summit 2018 and the 5th Camera in Your Hand, Future in Your Pocket Short Film Contest made by TCMA employees.

3rd Turkish Capital Markets Association (TCMA) Capital Markets Award Ceremony

The Association held the third edition of the TCMA Capital Markets Award Ceremony that it has been organizing annually to contribute to the flourishing and increased recognition of capital markets on 11 April 2018.

Inaugurated with the speeches delivered by Hımet Karadag, Deputy Chairman of Turkey Wealth Fund and Chairman and CEO of Borsa İstanbul at the time, and İlhami Koc, TCMA Chairperson at the time, the award ceremony was attended by senior executives of banks, intermediary institutions, asset management companies and investment trusts engaged in the capital market.

Nearly 400 people participated to the ceremony and awards were given under a total of 44 branches in eight categories and distributed to organizations that authored the most successful activities during 2017.



3rd TCMA Capital Markets Award Ceremony

The main sponsors of the event were Borsa Istanbul, Metro Investment Securities and Tradesoft, and other supporters included the Central Registry Agency, Istanbul Clearing, Settlement and Custody Bank, Citibank and Saha Rating.

1st International Congress of Political, Economic and Financial Analysis

1st International Congress of Political, Economic and Financial Analysis 2018 (PEFA-2018), which included Turkish Capital Markets Association (TCMA) among its main sponsors, took place on 26-28 April 2018. Organized by Adnan Menderes University Nazilli Faculty of Economics and Administrative Sciences with the main theme of "Strong Capital Market, Strong Economy", the Congress addressed the latest developments and changes in social sciences.

The opening speeches of the congress, in which approximately 250 academic papers were presented, were delivered by Dr. Berra Doganer, TCMA Vice Chairperson at the time, and Prof. Dr. John Karkazis, the Dean of the Faculty of Business Administration of Aegean University, Greece.

The special plenary session of the congress titled "Global Markets and Turkey Economy" was moderated by Baris Esen, and featured Murat Sagman, Dr. Yasar Erdinc, Mert Yilmaz and Cuneyt Paksoy as speakers. The papers presented throughout the three-day congress focused on labor economics, econometrics, economics, finance, human resources management, labor law, public finance, public administration, urbanization, environment and energy, finance, accounting/auditing, marketing, health management, political science, sociology, strategic management, international relations, international trade/

logistics, production management, management information systems, management/organization and other related minor fields in social sciences.

18th Ordinary General Meeting

The 18th Ordinary General Meeting was held on 9 May 2018 with the participation of approximately 200 market representatives.

The opening speeches were delivered by Borsa Istanbul CEO and Board Member Murat Cetinkaya, Ali Ihsan Gungor, Capital Markets Board of Turkey, Head of the Department of Intermediary Activities, and Ilhami Koc, Association's Chairperson at the time. At the meeting, elections were made for members of the Board of Directors, Board of Auditors and Discipline Committee, whose two-year terms of office had expired as per the Association's Statute.

At the first Board of Directors meeting held after the elections, Erhan Topac was elected as the Association's Chairperson, and Dr. S. Alp Keler, CFA was elected as the Vice Chairperson.

ISO 45001 Occupational Health and Safety Revision Transition Seminar

"ISO 45001 Occupational Health and Safety Revision Transition" seminar was held by the Association on 25 May 2018, which was attended by 30 people.

TUV Austria Turk trainer Nalan Acar was the speaker at the seminar which dealt with the comparison of OHSAS 18001 Standard with ISO 45001: 2018, Elaboration of the Articles of ISO 45001: 2018 Standard, Integration and Revisions



18th Ordinary General Meeting



18th Ordinary General Meeting

Meetings and Events

Suggestions and Assessments in relation to Implementation, and Transition Process Information.

Cooperation between Turkish Capital Markets Association's (TCMA) Members and Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank)

The Association's members and Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank) representatives held a meeting at the Association on 7 August 2018 to exchange opinions about technical and operational matters related to Turkey Electronic Fund Trading (TEFAS) Platform.

The main discussion topics at the heavily-attended meeting included suggestions for improving Takasbank IT services with a main focus on transactions carried out in half business-days, valuation rates of assets accepted as collateralization, development process for FC transactions in hedge funds, the limited level of access to mutual funds, and fund transfer between investment accounts. The members' opinions were gathered following the meeting and communicated to Takasbank.

During the meeting, TCMA Research and Statistics Assistant Director Gokben Altas Cevikcan gave information to the participants about the preparation phase of the Association's investments made via TEFAS, as well as about the investment performance.

Press Conferences Held

In 2018, two press conferences were held at the Association. The Association's Chairperson Erhan Topac and members of our Board of Directors and Board of Auditors were attended to the conferences. The first meeting that took place on



The Association's Chairperson Erhan Topac's press conference on 4 December 2018

11 September 2018 addressed suggestions for flourishing the capital market within the frame of the future economy policies, the Association's projects and our members' data for the first half of 2018.

In the second meeting held on 4 December 2018, Chairperson Erhan Topac provided information about the current status of the capital market and the data of intermediary institutions and asset management companies for the first nine months of 2018. Topac also shared his comments about the outlook of the capital markets with the media members.

Efficient Markets, Behavioral Finance and Sociology: A Perspective by Borsa Istanbul

The Association and the CFA Istanbul Society co-organized a seminar titled "Efficient Markets, Behavioral Finance and Sociology: A Perspective by Borsa Istanbul" on 12 September 2018.

Attended by 100 people, the seminar that took place at the Association featured Dr. Emre Tarim from the Lancaster University. In addition, Assoc. Prof. Recep Bildik from Borsa Istanbul, Mehmet Gerz from Ata Asset Management, and Alparslan Budak from the Financial Planning Association discussed the topic and addressed the Nobel award-winning theories that help understand the markets and price formations, and the reflections of theories and approaches that make an introduction to the market sociology that adds a new dimension to the aforementioned theories upon the investors, market professionals and intermediary institutions at Borsa Istanbul.



"Efficient Markets, Behavioral Finance and Sociology: A Perspective by Borsa Istanbul" Seminar

Metal Industry Learns How to Hedge Seminar

Turkish Capital Markets Association and Gedik Trader co-organized the seminar titled "Metal Industry Learns How to Hedge" on 18 September 2018.

With Alberto Xodo as the guest speaker, the seminar's topics included how to trade in six basic metals, how to protect against volatile exchange rates and how to hedge on the London Metal Exchange. The seminar was attended by 35 people.

Cooperation for Establishing the Standards for Participation-Based Mutual Funds

A task force was formed of Participation Banks Association of Turkey (TKBB) and Turkish Capital Markets Association (TCMA) representations and Asset Management Companies Professional Committee members to establish the standards to be adhered to by participation finance-based mutual funds to be published by the Central Advisory Board of TKBB. The first meeting of the task force was held on 27 September 2018.

On 6 December 2018, TCMA Assistant Secretary General İlker Savuran and Research and Statistics Assistant Director Gokben Altas Cevikcan made a detailed presentation to the Central Advisory Board about asset management and mutual fund system.

World Investor Week

The second World Investor Week was organized on 1-7 October 2018. During the week each country organizes her own events; in this context, the event in Turkey started with the gong ceremony carried out on 1 October 2018 as a joint organization of the Association, Capital Markets Board of Turkey (CMB) and Borsa Istanbul.



World Investor Week

Organized at Borsa Istanbul, the event continued with the opening speeches of CMB Chairman Ali Fuat Taskesenlioglu, Borsa Istanbul CEO and Board Member Murat Cetinkaya and Turkish Capital Markets Association Chairperson Erhan Topac. Over 300 participants consisted of representatives from the Association and public institutions, banks, academics, media members and university students.

Meeting with the World Bank Delegation for Financing Municipalities

As part of the World Bank initiative aimed at giving municipalities increased access to long-term financing, the World Bank representatives and Turkish Capital Markets Association (TCMA) officials held a meeting on 12 October 2018. The meeting attendants were Alper Oguz, financial sector specialist from the World Bank, Albert Amos, senior financial sector specialist from the World Bank, Bilge Yalcin Bastimur from Kanar Kuyucu Koc Law Firm, TCMA Chairperson Erhan Topac, TCMA Secretary General İlkay Arikán, TCMA Assistant Secretary General O. İlker Savuran, Research and Statistics Assistant Director Gokben Altas Cevikcan and Research Specialist Deniz Kahraman.

At the meeting, opinions were exchanged regarding the actions needed to be taken to facilitate the financing of municipalities in Turkey through the capital markets.

Vision Meeting on the Contribution of Capital Markets as a Driving Force to the Economy and the Manufacturing Industry, Opportunities, and Actions for Improvement
Turkish Capital Markets Association (TCMA) and the Turkish Institutional Investment Managers' Association (TKYD) held a vision meeting on the Contribution of Capital Markets as a Driving Force to the Economy and the Manufacturing



World Investor Week

Meetings and Events

Industry, Opportunities, and Actions for Improvement on 19-20 October 2018.

Organized in Antalya, the meeting was inaugurated with the speeches delivered by TKYD Chairman Selim Yazici, TCMA Chairperson Erhan Topac, Chairman of the Insurance Association of Turkey Can Akin Caglar, Borsa Istanbul CEO and Board Member Murat Cetinkaya, and Capital Markets Board of Turkey Chairman Ali Fuat Taskesenlioglu. Also attended by the T.R. Head of Presidential Economy Monitoring and Coordination, the meeting attracted more than 200 sector representatives including senior executives from the T.R. Ministry of Treasury and Finance, Turkey Wealth Fund Management, Tax Council, Investor Compensation Center, Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank), Central Registry Agency, Capital Markets Licensing Registration and Training Agency (CMLTA), Participation Banks Association of Turkey, Association of Financial Institutions, Pension Monitoring Center, associations, intermediary institutions, banks, asset management companies, real estate portfolio management companies, investment companies and pension companies.

A special plenary session titled "The Importance of Capital Markets for the Development of the Turkish Economy" was held on the first day of the two-day meeting. The three other panels on the first day were titled "The Driving Force of Capital Markets, Contribution to the Manufacturing Industry and Opportunities for the Turkish Capital Markets", "Private Pension System and Auto Enrolment", "Asset Management Sector and New Trends" and covered key issues of the industry, improvement areas, new regulatory framework, and expectations.



Turkish Capital Markets Summit 2018 - Gerd Leonhard

The second day of the event was dedicated to group works under 12 different headings with the contribution of participants. Suggestions created by working groups were gathered in a report by a team of specialists and made public.

3rd Turkish Capital Markets Summit

The third Turkish Capital Markets Summit organized by Turkish Capital Markets Association (TCMA) took place in Istanbul on 13-14 November 2018. The two-day summit was attended by a large crowd of over 8,000 people engaged mainly in the capital markets, as well as in financial services and various other sectors.

With its theme set as "The Future", having the Capital Markets Board of Turkey (CMB) among its sponsors and Borsa Istanbul Group as its main sponsor, the Summit covered 26 panel sessions and 23 training sector-related programs in different topics.

The speakers at the Summit included major names including the CMB Chairman Ali Fuat Taskesenlioglu, T.R. Head of Presidential Investment Office Arda Ermut, Turkey Wealth Fund CEO Zafer Sonmez, Borsa Istanbul Chairperson Prof. Erisah Arican, Borsa Istanbul CEO and Board Member Murat Cetinkaya, world-famous futurist author Gerd Leonhard, Turkish Informatics Foundation (TBV) Chairman Faruk Eczacibasi and CFA Institute Global President and CEO Paul H. Smith.

In addition to keynote speakers Gerd Leonhard and Faruk Eczacibasi's sessions, the other headliners of the Congress were the panels titled "Future of Capital Markets" participated by CMB Chairman Ali Fuat Taskesenlioglu, T.R.



Turkish Capital Markets Summit - "Future of Capital Markets" Panel

Head of Presidential Investment Office Arda Ermut, Turkey Wealth Fund CEO Zafer Sonmez, Borsa Istanbul CEO and Board Member Murat Cetinkaya, TCMA Chairperson Erhan Topac and Turkish Economy Bank (TEB) CEO Umit Leblebici, and "Is the Future Bright for Sports?" attended by Besiktas Gymnastics Club Chairman Fikret Orman and Fenerbahce Sports Club President Ali Koc.

A Business-to-Business (B2B) area was created as part of the Congress where manufacturing companies had the chance to seek free-of-charge consultancy from TCMA-member brokerage firms and asset management companies about various topics including funding, exchange/interest rate risk management and institutionalization. Three TCMA-member brokerage firms held 11 meetings with 11 manufacturing companies wishing to obtain funds from capital markets, to invest their money in the capital markets, and to manage interest/exchange rate risks.

The Congress sponsors included the CMB, Borsa Istanbul Group, Isbank, A1 Capital Investment, Gedik Investment, TEB, Vakifbank, Yapi Kredi Invest, Deutsche Bank, Integral Invest, Logo Software, BtcTurk, CFA Society Istanbul, Citibank, DenizBank Investment Services Group, Devexperts Data Dissemination, Capital Markets Licensing Registration and Training Agency (CMLTA), TEB Asset Management, Participation Banks Association of Turkey, Insurance Association of Turkey, TSKB, White&Case and GKC Partners, Turkish Airlines, Bloomberg HT, TRT World, Binyaprak, Borsa Gundem, Finnet Investing.com and Metro Invest.



MASAK Workshop

Seminar on the Impacts of TFRS 9 Standard Upon Collective Investment Instruments

Having received great interest from our members, the seminar on the Impacts of TFRS 9 Standard Upon Collective Investment Instruments organized by our Association was attended by 80 people.

Featuring Kerem Vardar, KPMG Financial Services Advisory Firm Partner, as the speaker, the seminar addressed the TFRS 9 Financial Instruments Standard, Classification and Measurement, Impairment and TFRS 9 Implementations.

20th Extraordinary General Meeting

The 20th Extraordinary General Meeting convened on 11 December 2018 at the Association with the participation of Berat Albayrak, Ph.D., Minister of Treasury and Finance.

Inaugurated by Berat Albayrak, Ph.D., Minister of Treasury and Finance, the meeting was attended by Capital Markets Board of Turkey Chairman Ali Fuat Taskesenlioglu, Banking Regulation and Supervision Agency Chairman Mehmet Ali Akben, Borsa Istanbul Chairperson Prof. Erisah Arican, Borsa Istanbul CEO and Board Member Murat Cetinkaya and approximately 300 market professionals.

The main focus of the meeting was the future of capital markets and their role in international platforms.

MASAK Workshop

Organized annually by the Financial Crimes Investigation Board (MASAK) with the support of our Association, the MASAK Workshop was held on 14 December 2018.



20th Extraordinary General Meeting

Meetings and Events

During the workshop intended to increase the efficiency of the implementation of applicable legislation and to mutually discuss the current practical matters, Turkish Capital Markets Association (TCMA) Board member Murat Guler and Assistant Secretary General Suleyman Morbel made a presentation titled "The Rule of Knowing Your Customer: Where Does the World Currently Stand?".

The aim of the workshop was to increase awareness among our members that have significant obligations with respect to preventive actions related to anti money-laundering (AML) and combating the financing of terrorism (CFT), and to secure higher efficiency in the implementation of applicable legislation. The workshop attracted 104 participants: 13 from member banks, 58 intermediary associations, 16 from asset management companies, 1 from investment companies, 1 from the Association of Brokerage Firm Executives, 7 from TCMA and 8 from MASAK.

Roundtable Meeting for Asset-Backed New Products in the Debt Capital Markets

Co-organized by the European Bank For Reconstruction and Development (EBRD) and the Capital Markets Board of Turkey (CMB), the Roundtable Meeting for Asset-Backed New Products in the Debt Capital Markets took place on 21 December 2018 at the Association.

At the meeting attended by representatives from banks, brokerage firms, asset management companies and manufacturing industry companies, opinions and suggestions were exchanged regarding the regulatory infrastructure, legal framework and issuance process for asset-guaranteed and asset-backed securities, and the establishment of a mortgage finance corporation.

Other topics addressed in the meeting chaired by the Association Chairperson Erhan Topac also included the asset-backed securities issue carried out in December by Ziraatbank, Vakifbank, Halkbank and Garanti Bank, and other securitization activities in the sector.

Meeting on the CCP Service and Loans Offered by Istanbul Clearing, Settlement and Custody Bank Inc. (Takasbank)

A meeting was held on 24 December 2018 to exchange opinions about the means made available to our members under the services offered by Takasbank and administrative matters.

Participated by senior executives of Turkish Capital Markets Association TCMA-member brokerage firms and Takasbank representatives at the Association, the meeting has provided the setting for exchanging opinions about the Central Counterparty (CCP) service, collateralization and risk management policies, as well as the loans disbursed by Takasbank to brokerage firms.

International Relations



We have exchanged opinions with international agencies to keep a close eye on the developments with a potential impact on our sector and to represent our country.

Possible Collaboration Areas with UK

The Prosperity Fund announced by the UK Government in 2015 is intended to support the necessary reforms in middle-income countries. At the time of its decision to withdraw from the European Union, the country expanded the coverage of its external aid programs. The contacts first initiated in December 2016 by the Association and the UK Consulate under a project for the development of the finance sector continued with greater intensity in 2018.

Visit by the Korean Delegation

The Association hosted the Korean finance professionals in Turkey on 26 July 2018 and facilitated their contacts with the institutions in our country. Within the scope of the ongoing relations between our Association and the Korea Financial Investment Association (KOFIA), a delegation of 11 people consisting of the KOFIA Chairman and Korean real estate investment trust CEOs visited Turkey.

During their visit, the Korean delegates held meetings with various public institutions, real estate investment companies, and asset management companies regarding the commercial property investments in our country. Capital Markets Board of Turkey Vice Chairman Yusuf Kaya, T.R. Presidential Investment Office Chief Project Director Necmettin Kaymaz, the Association Chairperson Erhan Topac and directors of capital market institutions also joined the delegation's visit. The delegation also visited the Istanbul

Airport representing one of the biggest investments of Turkey and gearing up to provide service with an annual passenger capacity of over 150 million.

The Association Becomes a Signatory of ASF's Declaration on Commitment to SDGs

Asia Securities Forum (ASF) announced its Declaration on Commitment to UN Sustainable Development Goals in Bali, Indonesia on 2 November 2018. Representing 23 members including the capital market associations from developed and developing economies with Japan, China, India, Australia and Hong Kong among them, the Forum Bali Declaration attests to the commitment to maintain the efforts to achieve the Sustainable Development Goals. Having become a member of the Forum in 2009, the Association became a signatory of the ASF's Declaration on Commitment to Sustainable Development Goals along with the leading capital market representatives of the Asia-Pacific region.

The Forum, which was established in 1995 with the objective of flourishing the capital markets in the Asia-Pacific region and facilitating opinion exchange among its members, committed to encourage the development of the securities markets and expressed that it will share the information and experiences derived in this field with the goal of contributing to the Sustainable Development Goals.



we coordinate

We function as a platform of opinions that undertakes a unifying role among all stakeholders of the industry and guarantees reaching the right solutions. Our communication skill puts us in the position of a spokesperson for all our members.

Training



We carried on with our comprehensive training programs designed to build on the competencies of market professionals.

Licensing Exam Preparation Programs

The Capital Markets Licensing Registration and Training Agency (CMLTA) held two class-based licensing exams on 2-3 June and 1-2 December 2018. The Association organized public, company-specific and individual training programs in preparation for these exams. Demands for training programs concentrated mostly in the topics covered by Capital Market Activities Level 1, Level 3, and Credit Rating exams.

Under the company-specific programs held upon members' request, classroom training sessions were held in Istanbul for three banks in 2018. Furthermore, personalized one-on-one programs were provided to two senior executives, one from the manufacturing industry and the other from the finance sector.

A total of 971 individuals attended 79 public and company-specific programs offered during 2018.

Professional & Personal Development Courses

In 2018, in addition to professional development courses offered in various areas including banking, audit, economy and innovation, finance IT, regulatory framework, accounting and taxation, marketing and sales, marketplace, project finance and supply chain and risk management, personal development programs were also given in different topics such as communication, creative presentation, perception and branding. The training programs were attended by the manufacturing industry employees, as well as bank and intermediary institution staff.

In 2018, 22 organization-specific and public courses in professional development were held, which were attended by a total of 409 participants.

2018 Training Programs

	Number of Programs	Number of Participants
Licensing	79	971
Professional and Personal Development	22	409
Total	101	1,380

Free Training for University Students

In 2018, the Association continued to offer free training to students attending the relevant departments of universities, an initiative commenced in 2012. Quotas for 5 students were reserved in each of the licensing exam preparation programs, professional development and personal development courses, which were allocated free of charge on a first-apply, first-served basis.

During 2018, a total of 7 students attended the Association's training programs within the scope of the free quotas assigned.

Turkish Capital Markets Association (TCMA) Training Social Media Accounts

Launched in July 2016 with the objective of announcing our training activities and discussing current educational matters, "Birlikte Egitim" (TCMA Training) LinkedIn group's followers reached 320 people. While Facebook page reached more than 3,400 fans, the number of the followers on the Twitter account went up to 587.

Risk Management and Hedging in Volatile Markets

Initiated in 2017 as a cooperative effort with our members, the investor training on "Risk Management and Hedging in Volatile Markets" continued in 2018. The program is

intended to inform those who are exposed to exchange rate risk, investors and interested parties on derivatives, risk management and hedging, and to raise awareness on the same.

A total of 465 people took part in the investor training programs organized in cooperation with Antalya, Bursa, Kocaeli, and Ankara Chambers of Industry with market specialist speaker support from our members Deutsche Securities, Gedik Investment, Integral Investment, Is Investment, Halk Invest, Phillip Capital, and Saxo Capital Markets, and with the contribution of renowned economists.

Employees from banks and intermediary institutions, university students, individual investors, manufacturing industry employees, independent accountants and financial advisers made up the majority of participants.

Companies that extended speaker support to the investor training also responded to participants' questions at the stands they set up in the exhibition space where the training was given. Through a lot drawn, training participants were given "Commemorative Coins Kit of Turkish States in History" as a gift.

Risk Management and Hedging in Volatile Markets

Date	Training Host Chambers of Industry	Number of Participants
18 January 2018	Antalya Chamber of Commerce and Industry	100
20 September 2018	Kocaeli Chamber of Industry	100
17 October 2018	Bursa Chamber of Commerce and Industry	165
1 November 2018	Ankara Chamber of Industry	100
	Total	465



The investor training organized with Ankara Chamber of Industry



The investor training organized with Denizli Chamber of Industry

Training

The Role of Capital Market Institutions and Instruments in the Manufacturing Industry's Access to Financing

The Association, in cooperation with the members, initiated investor education programs on "The Role of Capital Market Institutions and Instruments in the Manufacturing Industry's Access to Financing". The education programs are intended to inform companies, investors and interested parties in need of financing and planning to obtain financing from the capital markets about equity offering, debt instrument issuances, company mergers and acquisitions, and to raise awareness of the same.

A total of 120 people took part in the investor education co-organized with the Aegean and Denizli Chambers of Industry with market specialist speaker support from our members Garanti Securities, Gedik Investment, and Is Investment and with the contributions of reputed economists.

Companies that extended speaker support to the investor education also responded to participants' questions at the stands they set up in the exhibition space where the training was given. Through a lot drawn, training participants were given "Commemorative Coins Kit of Turkish States in History" as a gift.

The Role of Capital Market Institutions and Instruments in the Manufacturing Industry's Access to Financing

Date	Chambers of Industry	Number of Participants
14 May 2018	Denizli Chamber of Industry	60
26 September 2018	Aegean Chamber of Industry	60
Total		120

Free Training Programs on Capital Markets Board of Turkey Communiqué

Capital Markets Board of Turkey (CMB) experts offered three training programs about the notifications filed by investment companies to the CMB under the provisions of the Communiqué at the Istanbul Representation Office on 13 September, 20 September and 27 September 2018. A total of 110 people from banks, intermediary institutions and asset management companies took part in the training.

Date	Participating Organizations	Number of Participants
13 September 2018	Affiliates (Banks + Intermediary Institutions+ Asset Management Companies)	38
20 September 2018	Intermediary Institutions	37
27 September 2018	Intermediary Institutions + Asset Management Companies	35
Total		110

Zeytinburnu 100. Yıl Vocational and Technical High School Career Seminar

TCMA Training Director Gokhan Buyuksengur, Ph.D. was the guest of the "Career in the Finance Sector" seminar organized by the Accounting and Finance Department Finance and Exchange Services Division of Zeytinburnu 100. Yıl Vocational and Technical High School on 15 January 2018.

At the seminar that attracted an attentive crowd of over 150 students, Gokhan Buyuksengur provided information about the position and importance of the finance sector in Turkey. He then touched upon professions and qualifications in the financial services sector before making an introduction to the future professions and sharing his knowledge on "Disrupted Occupations".

Istanbul Commerce University

The Association's Research and Statistics Assistant Director Gokben Altas Cevikcan and Research and Statistics Specialist H. Onur Salturk made a presentation on the financial system and capital markets on 24 December 2018 to capital market graduate students at Istanbul Commerce University.

While the students learned about the preparatory process, implementation method and detailed performance evaluation for the Association investments made with the mutual funds traded on Turkey Electronic Fund Trading (TEFAS) Platform since March 2016, they also found the chance to get acquainted with the real-word implementation of the information they received in theoretical classes. Attended by 30 students, the presentation was concluded with an interactive Q&A session.

Information Technology



Based on the awareness that technological transformation is the key to the future, we closely monitored the global innovations and strengthened our infrastructure.

Document Management System

Improvements were achieved in performance and reporting through hardware and software upgrades made to the Document Management System that is used for the Association's information, document and process management needs. A total of 4,394 new documents were added to the Document Management System during 2018, which brought the total number of documents kept on the system to 88,564 as at 31 December 2018.

Corporate Website

The infrastructure and content of the website were constantly updated. During 2018, our website was visited 255,583 times by users from ten different countries, namely Turkey, United States of America, England, France, India, Germany, Canada, Switzerland, Italy and Spain.

Member Management System

Active since November 2012, the Member Management System collected various data about intermediary institutions, and produced periodic and annual reports. The software development phase of the reporting module for comprehensive database queries was finalized.

Software for Collecting and Reporting of Leveraged Trading Transactions

Under the Capital Markets Board of Turkey's Investment Services Communiqué, our Association was charged with collecting the prices and the spread announced by intermediary institutions for leveraged trading transactions, and with processing them using statistical methods and making them public. As part of this task, necessary security updates were made to Project KAS in 2018, which was designed for collecting and publicly disclosing the relevant data.

Leveraged trading prices of intermediary institutions outside the standard deviation, which are derived from Project KAS were published weekly on our website.

Security Scanning

The software and hardware vulnerabilities of the data center were identified based on the report that resulted from the penetration/attack tests. Necessary steps were taken in line with the suggested solutions devised.

Infrastructure Updates and Security

Within the frame of Data Center infrastructure updates, servers, virtualization, replication and security software were upgraded while firewall and other hardware equipment were updated.

Media Relations

50

TCMA 2018 ANNUAL REPORT



In an effort to increase the recognition of our sector, we released press bulletins about our activities and publications, and reached large audiences.

In 2018, our Association issued 27 press releases. During 2018, 476 news articles related to the Association appeared in the press. 256 news appeared on TV while 5,063 articles were published on the Internet. Press releases issued by the Association and major news articles covered by the media are posted under the "Press Room" menu on our website.



Memberships

DEIK

The Foreign Economic Relations Board (DEIK) was founded in 1988, in order to handle the foreign economic relations of the private sector. Our Association became a member of DEIK in 2008 in "founding member" status to represent our industry more effectively on international platforms.

ASF

The Asia Securities Forum (ASF) was founded in 1995 with the aims of improving the securities market, contributing to economic development and promoting exchange of information between members in the Asia-Pacific region. Our Association became a member of this forum, whose members are associations, exchanges and various institutions in the region, in September 2009. The Association will be hosting 2019 Annual General Meeting of ASF in Istanbul.

ICSA

The International Council of Securities Associations (ICSA) is a global organization representing industry associations. The aim of the Council, which was founded in 1988, is to contribute to the development of the capital market by ensuring cooperation between member associations. The Association has been a member of ICSA since 2006.

At the 30th General Assembly of ICSA held in Mexico City between 21-23 May 2017, Turkish Capital Markets Association was elected to the Board of Directors to represent the Europe area.

At the 31st Annual General Meeting of ICSA in Taipei on 10-12 June 2018, the Association was reelected for another year to the Board of Directors representing the Europe Area.

IFIE

The aim of the International Forum for Investor Education (IFIE), which was set up in 2005 as an independent organization, is to enhance investor education on a global level and to support investors in taking well-informed decisions. Our Association joined the Forum in September 2009, where self-regulatory, regulatory and various non-profit organizations are represented. The Association is a member of the Board of Directors of IFIE since 2011.

INFE

The Organization for Economic Cooperation and Development (OECD) set up the International Network on Financial Education (INFE) in 2008 to promote financial literacy across member countries. The Association joined the platform in 2015 as an affiliate member.

IOSCO

The International Organization of Securities Commissions (IOSCO) was founded in 1983 to set global standards in the capital markets. Our Association joined the organization as an affiliate member in 2003, whose members include capital market regulatory agencies. A regular contributor to the bulletin that facilitates information sharing among affiliate members, our Association keeps the international public opinion informed of the developments in our marketplace.

ISTAC

Istanbul Arbitration Center (ISTAC) was founded upon the enforcement of the Istanbul Arbitration Center Arbitration Law no. 6570 and dated 20 November 2014, which was published in the Official Gazette issue 29190 dated 29 November 2014. Istanbul Arbitration Center (ISTAC) is an independent, impartial and autonomous institution providing arbitration and mediation services for dispute resolution between commercial actors in Turkey and abroad. The ISTAC's dispute resolution services are available to all contracting parties, without any membership requirements. The Association has become a member of ISTAC in "General Assembly Member" status.

TAX COUNCIL

Our Association is represented with one member on the Tax Council, which was established to provide the Ministry with feedback on the formulation and implementation of tax policies, and to work on the same.



we are influential

We are an influential and efficient organization thanks to the dynamism lent to us by our members.



In keeping with the target of fostering the capital market, the Association acquired equity stakes in incorporated capital market institutions and participated in their management, and thus contributed to improving our sector.

Borsa İstanbul Inc.

The Association holds 1.3% equity stake in Borsa İstanbul Inc. The Association has an interest of TL 5,502,042 in the company's capital of TL 423,234,000. The Association was represented with one member on the Board of Directors of Borsa İstanbul Inc. in 2018.

Central Registry Agency Inc.

Turkish Capital Markets Association has a 5% share in the Central Registry Agency Inc. (CRA). Our Association holds TL 1,800,000 of the company's total capital of TL 36,000,000. The Association continued to be represented by one member on the CRA Board of Directors in 2018.

Capital Markets Licensing Registration and Training Agency

Turkish Capital Markets Association holds 49% share in the Capital Markets Licensing Registration and Training Agency Inc. (CMLTA). The Association holds TL 2,940,000 in the company's total capital of TL 6,000,000 and was represented by two members on the CMLTA Board of Directors in 2018.

Oversight and Dispute Resolution

Oversight

The Association is authorized and assigned to regulate, supervise and enforce issues delegated to it by legislation or by the Capital Markets Board of Turkey. In this context, various audits are conducted when necessary, and the provisions of the legislation are applied in case of non-compliance.

Turkish Capital Markets Association (TCMA) Client Dispute Arbitration Committee

The Statute of the Turkish Capital Markets Association charges our Association with the duty to "assist in the resolution of disputes arising from off-exchange transactions among our members or between our members and their customers; set up the arbitration committee and the necessary infrastructure subject to the procedures and principles that will be drawn up for this purpose and approved by the Capital Markets Board of Turkey (CMB)". The TCMA Client Dispute Arbitration Committee Guidelines drawn up based on the above mentioned duty sets out the formation, power, duties and responsibilities of the arbitration committee and the principles and procedures for applying to the arbitration committee and for conclusion of applications.

The Turkish Capital Markets Association Client Dispute Arbitration Committee reviews and resolves the disputes which arises from or in relation to off-exchange capital market transactions among the Association members engaged in capital market activities (intermediary institutions, banks, asset management companies and investment trusts) or between such the Association members and their clients and which may entail clients' claims for damages, losses and compensation.

The 2-year terms of office of the existing members serving on the Arbitration Committee, which was first set up at the Association in 2016, expired at the end of 2018. Arbitration Committee members who will be serving in the new period were identified by the Association's Board of Directors from among the applicants.

Ever since its establishment, the arbitration committee received 455 applications in total, 267 of which were submitted directly and the remaining 188 via the CMB. The table below summarizes the status of these applications:

2018 Summary Table of Applications to the Arbitration Committee		Number
File in Preparation		9
Under Review by the Arbitration Committee		85
Decided		237
Decided. Unchallenged and finalized.		178
Decided. Notified to the CMB on account of being contradictory to law.		19
Challenged		40
Decided. Referred to CMB following the challenge, CMB's decision awaited.		25
Decided. Under review by the Arbitration Committee due to the post-challenge CMB reversal.		3
Decided. Post-challenge CMB approval, thus the decision is final.		12
Settled and withdrawn.		63
Rejected - Irrelevant to the Arbitration Committee's scope.		61
TOTAL		455

Inquiries

Within the frame of the Law on the Right to Information, the Association received a total of eight inquiries during 2018. Out of these eight inquiries, positive responses were given to five, which were provided with access to information and documents. The remaining three applications were referred to other institutions and organizations due to their relevance.

Auditors' Report

TO THE GENERAL ASSEMBLY OF THE TURKISH CAPITAL MARKETS ASSOCIATION AUDITORS' REPORT

28.03.2019

The Association's accounts and transactions have been audited on a monthly basis.

It has been established that the records of the Turkish Capital Markets Association have been kept in accordance with the relevant regulations and accounting principles, at that they present at true and fair view of the financial position of the Association.

We hereby present the balance sheet, income statement and final chart of accounts as well as the Auditors' Report for the year ended 31.12.2018 for your approval, and hereby recommend that the Board of Directors be acquitted from its liabilities.

BOARD OF AUDITORS



Adnan BAHAR
AUDITOR



A.Albert KRESPİN
AUDITOR



C. Cem ÖNENÇ
AUDITOR



M. Selim YAZICI
AUDITOR



Mehmet AHKEMOĞLU
AUDITOR

Independent Auditor's Report



Güney Bağımsız Denetim ve
SMMM A.Ş.
Eski Büyükdere Cad. Orjin Maslak
No: 27 Maslak, Sarıyer 34398
İstanbul - Turkey

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

To the Board of Directors of Turkish Capital Markets Association:

1) Opinion

We have audited the financial statements of Association of Turkish Capital Markets and Its Operating Entity (the Association) which comprise the balance sheet as at December 31, 2018 and the income statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Association of Turkish Capital Markets and Its Operating Entity for the year ended December 31, 2018 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the balance sheet.

2) Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. Accounting policies applied by the Association differ from the accounting principles generally accepted in other countries and International Financial Reporting Standards (IFRS) in material aspects and the effects of such differences have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and financial performance of the Association in accordance with the accounting principles generally accepted in such countries and IFRS. This report has been prepared solely for the information and use of the members and the Management of the Association and should not be used for any other purpose. Our opinion is not modified in respect of this matter.

4) Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies described in Note 2 to the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

5) Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Balkız Devrim Ünal, SMMM

Partner

March 22, 2019
Istanbul, Turkey

Consolidated Balance Sheet

As of December 31, 2018

(Currency - Turkish Lira (TL))

	Current Period Audited December, 31 2018	Prior Period Audited December, 31 2017
Assets		
Current assets:		
Cash and cash equivalents	6,792,809	2,577,041
Securities	1,731,472	1,577,863
Receivables from operations	781,932	676,052
Prepaid expenses	319,618	188,158
Other current assets	5,141	2,247
Total current assets	9,630,972	5,021,361
Non - current assets:		
Financial investments	10,242,042	10,242,042
Property and equipment	4,657,003	3,647,005
Intangible assets	321,603	682,390
Accumulated depreciation and amortization	(4,977,069)	(3,996,341)
Other non - current assets	7,822	3,155
Total non - current assets	10,251,401	10,578,251
Total assets	19,882,373	15,599,612
Liabilities and equity		
Current liabilities:		
Short - term financial lease liabilities	-	139,409
Trade payables	45,983	73,126
Other payables	26,759	28,144
Advances received	45,626	31,440
Taxes and other obligations	219,882	342,436
Deferred income and expense accruals	764,472	581,632
Liabilities for employees	708,197	599,139
Total current liabilities	1,810,919	1,795,326
Non - current liabilities:		
Long - term financial lease liabilities	-	185,879
Reserve for employee termination benefits	1,457,446	1,148,887
Total non - current liabilities	1,457,446	1,334,766
Total liabilities	3,268,365	3,130,092
Equity:		
Funds	10,247,042	10,247,042
Statutory reserve	2,222,477	1,644,888
Income surplus	4,144,488	577,590
Total equity	16,614,008	12,469,520
Total liabilities and equity	19,882,373	15,599,612

Consolidated Statement of Profit and Loss For the Year Ended December 31, 2018

(Currency - Turkish Lira (TL))

	Current Period Audited	Prior Period Audited
	January, 1 - December, 31 2018	January, 1 - December, 31 2017
Income		
Membership fee and expense contribution from members	8,817,666	8,043,388
Operating income	646,808	741,227
Non-operating income	5,412,200	598,245
Other income	909,876	907,700
TCMS congress income	1,851,030	1,426,480
Total income	17,637,580	11,717,040
Expenses		
Personnel expenses	(6,927,798)	(6,454,869)
Board of director's fee	(319,440)	(290,400)
Outsourced services	(613,813)	(538,810)
Advertisement and meeting expenses	(949,897)	(751,062)
Research and publication expenses	(68,420)	(94,761)
Information technology expenses	(1,531,923)	(587,169)
Training, courses and seminars expenses	(213,463)	(306,192)
Travel and accommodation expenses	(261,014)	(209,133)
Fixed assets and purchases expenses	(6,229)	(43,217)
Membership fees expenses	(464,335)	(227,403)
Other expenses	(284,914)	(179,897)
TCMS congress expenses	(1,851,846)	(1,456,537)
Total expenses	(13,493,092)	(11,139,450)
Income surplus	4,144,488	577,590
Provision for taxes and other legal liabilities (-)	-	-
Net income surplus	4,144,488	577,590

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Address: Buyukdere Caddesi No: 173 1. Levent Plaza
A Blok Kat: 4 34394 Levent/Istanbul
Tel: 0 212 280 85 67
Fax: 0 212 280 85 89
e-mail: info@tspb.org.tr

Produced by Tayburn
Tel: (90 212) 227 04 36
www.tayburnkurumsal.com