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TURKEY

BROKERAGE INDUSTRY 2012 SEMIANNUAL REVIEW

EQUITY
MARKET

DERIVATIVES

ASSET MANAGEMENT

FIXED INCOME

**CORPORATE
FINANCE**



TURKISH BROKERAGE INDUSTRY 2012 SEMIANNUAL REVIEW

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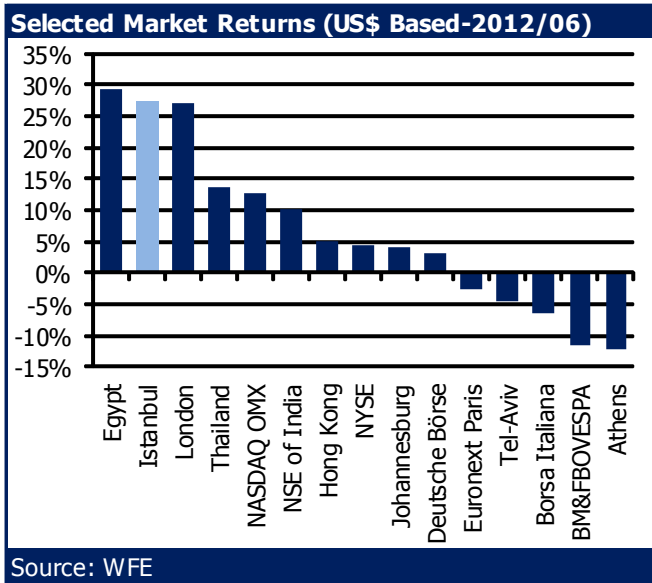
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ABBREVIATIONS

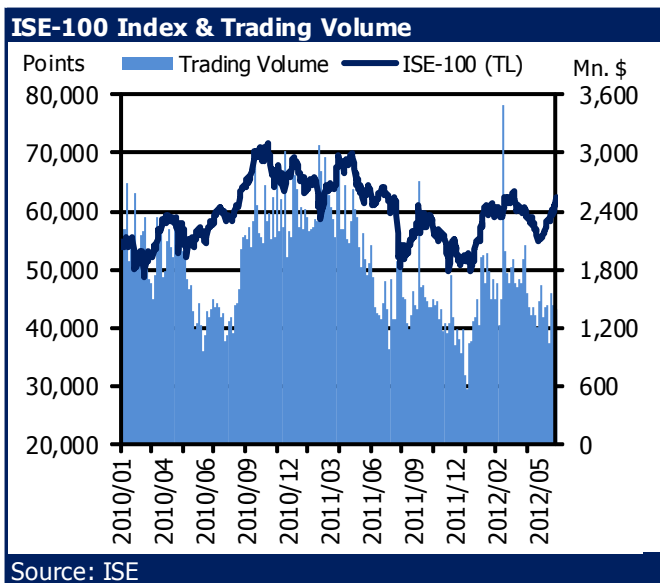
Term	Definition
CBRT	Central Bank of the Republic of Turkey
CMB	Capital Markets Board
CRA	Central Securities Depository
IFRS	International Financial Reporting Standards
ISE	Istanbul Stock Exchange
MCap	Market Capitalization
OTC	Over-the-Counter
PMC	Pension Monitoring Center
Takasbank	ISE Settlement and Custody Bank
TL	Turkish Lira
TSPAKB	The Association of Capital Market Intermediary Institutions of Turkey
TurkDex	Turkish Derivatives Exchange
WFE	World Federation of Exchanges
Y-t-d	Year-to-Date
Y-o-y	Year-on-Year

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MARKET RETURNS

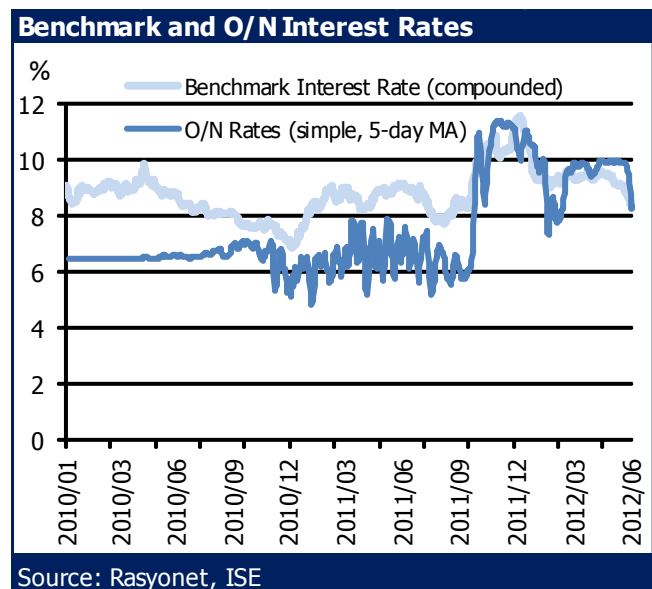


2011 was a volatile year and the fears of sovereign debt crisis in developed countries dominated the markets. The agenda was the same in 1H2012. This trend resulted in capital flows to the emerging countries. In the same period, ISE-100 Index has improved by 27% in US\$ terms and became one of the best performers along with the rising risk appetite towards emerging markets.

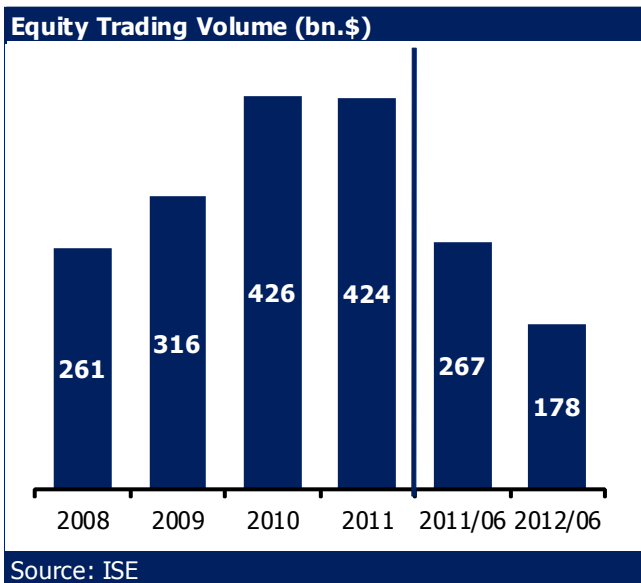


The index was in a downward trend in the year 2011. The index closed the year at 51,267 points by a 24% loss in TL terms. On the other hand, 1H2012 was a recovery period. The ISE-100 index gained 22% year-to-date in TL terms.

The average daily trading volume decreased by 33% to US\$ 1.4 billion in 1H2012 from US\$ 2.1 billion in 1H2011 (24% y-o-y contraction in TL terms).

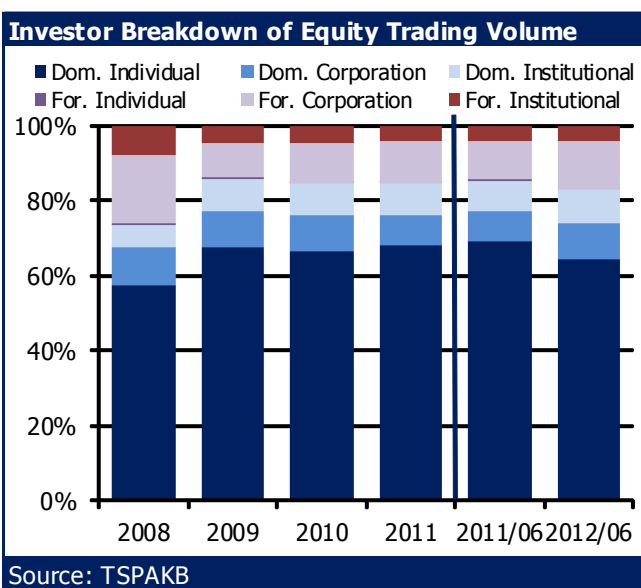


In recent years, thanks to the CBT's easing and the recovery in risk appetite for Turkish markets, a downward trend was observed in the interest rates until 2010. But in 2011, the interest rates started to increase and reached 11% at the end of the year 2011. During the 1H2012, interest rates declined gradually to below 10%.



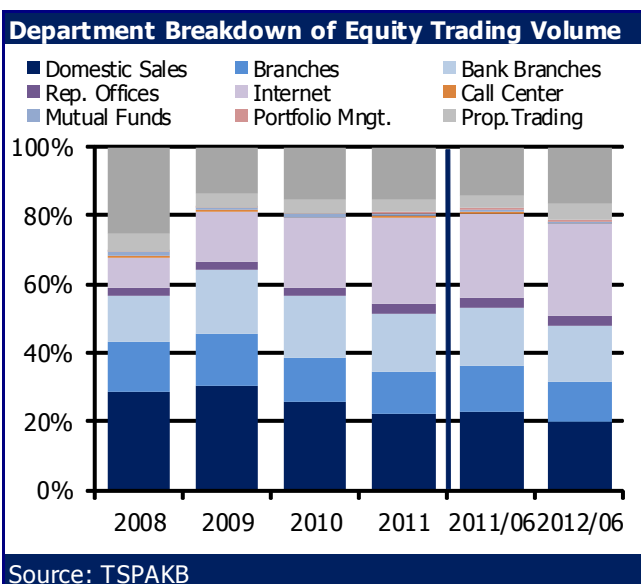
In Turkey, only brokerage firms are allowed to trade equities. The following analysis covers only the operations of brokerage firms unless otherwise specified.

After the contraction caused by the financial crisis, the equity trading volume recovered in 2010. Trading volume increased by 35% to US\$ 426 billion in 2010. Total turnover remained stable in 2011 in US\$ terms, despite a sharp decrease in market capitalization. In 1H2012, equity trading volume went down by 33% y-o-y. 88 brokerage firms traded in the equity market and the first 5 of them generated 46% of total volume.



Domestic investors generated 83% of the equity trading in 1H2012. Domestic individuals continue to drive the market liquidity with a 64% share. On the other hand, these investors hold around only one-fifth of the free float, as of end 1H2012. Volume share of domestic corporations and institutional investors are stable around 9% each.

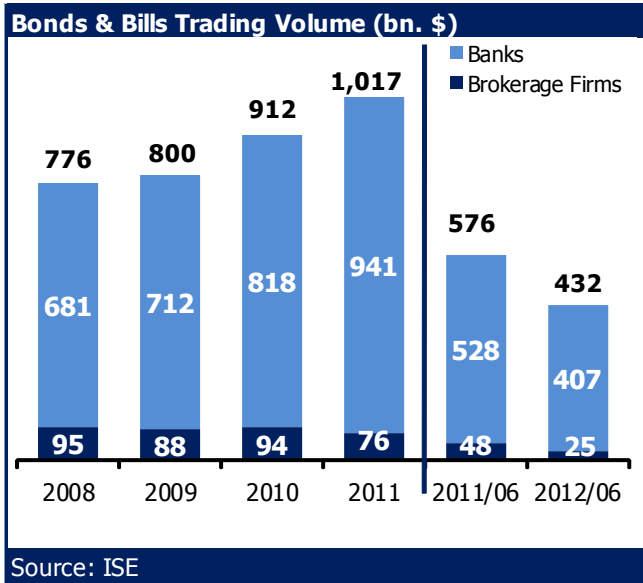
The share of foreign investors in the trading volume continuously increased from 2004 to 2008. Their share reached a historic high of 33% in May 2008. However, as the financial crisis deepened, this trend has reversed with the figure retreating to around 15% since 2009. This ratio reached 17% in 1H2012. Foreign corporations, which mainly refers to foreign banks and brokerage firms, created 13% of the trading volume. Foreign corporations, which hold around 40% of the free float, had only 4% share in total turnover.



Department breakdown of the trading volume shows the channels through which trading is done. Domestic sales refer to the headquarters of the brokerage firms. Branches are owned by the brokerage firms. Bank branches show the order flow from banks. In the previous investor breakdown section, mutual funds are included in the institutional investors group and proprietary trading is included in corporations.

Internet became the major channel of equity trading in 2011. This trend continued in 1H2012 with an all-time high share of 27%. Domestic sales, representing the headquarters of the brokerage firms, generated 20% of the total turnover, which indicates a 3 points decrease in share as compared to 1H2011. Around one third of the trading volume was done through branches and bank branches.

BONDS & BILLS MARKET



In the fixed income market, both brokerage firms and banks are authorized to trade. Figures in this section represent the sum of public and corporate bonds and bills, traded at the Istanbul Stock Exchange and OTC markets. Although the corporate bond market has revived recently, it has only 2% share in total volume.

The figures on the chart show the trading volume of financial intermediaries. It excludes the transactions by the Central Bank and Takasbank (Settlement and Custody Bank).

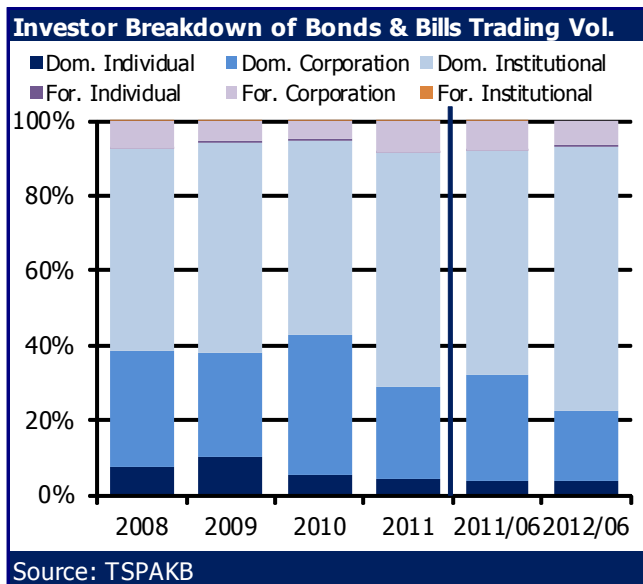
In 1H2012, bonds trading volume of intermediaries decreased by 25% to US\$ 432 billion. The share of OTC transactions increased to 58% in 1H2012 from 44% in 2011.

70 brokerage firms and 40 banks traded bonds and bills in 1H2012. First 6 of them generated half of total volume. Brokerage firms have 13% share in the bonds and bills market.

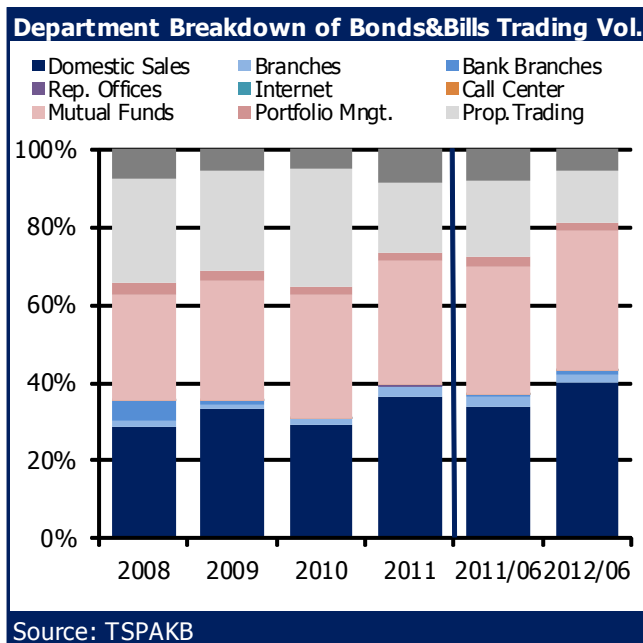
The breakdown of trading volume, in terms of departments and investor categories, includes the brokerage firms' figures only.

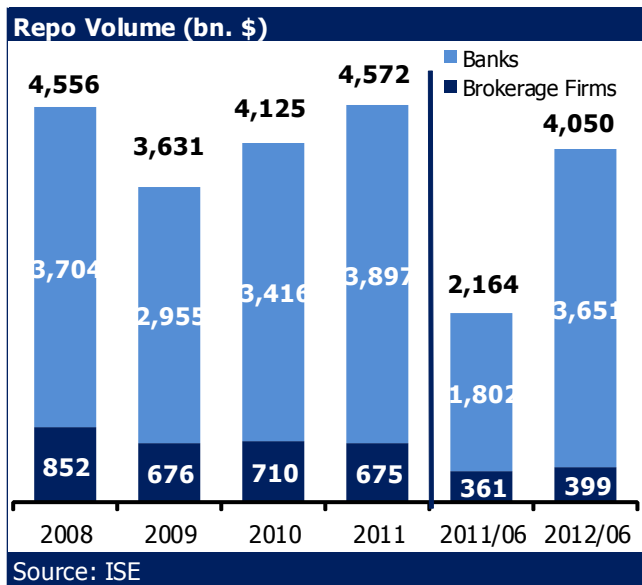
93% of bonds and bills trading volume of brokerage firms was generated by domestic investors. Domestic institutional investors, which represent mutual funds, investment trusts and pension funds, is the leading group, making 71% of total trading volume. Domestic corporations, mainly reflecting the proprietary trading of brokerage firms, generated one-fourth of bonds trading volume.

The share of foreign investors' bonds and bills trading has increased by 1 percentage point to 7% in 1H2012. One brokerage firm generated almost all of foreign investors' trading volume.



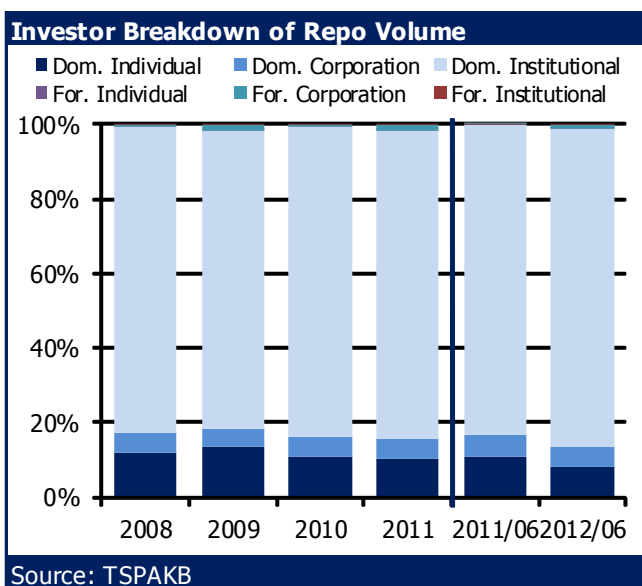
Domestic sales, mutual funds and proprietary trading cover 86% of the trading volume. Discretionary portfolio management clients and mutual funds that are managed by brokerage firms generated one third of the trading volume. Domestic sales' share increased to 40% in 1H2012 from 36% in 1H2011. On the other hand, the share of proprietary trading decreased to 13% from 20% in the same period.





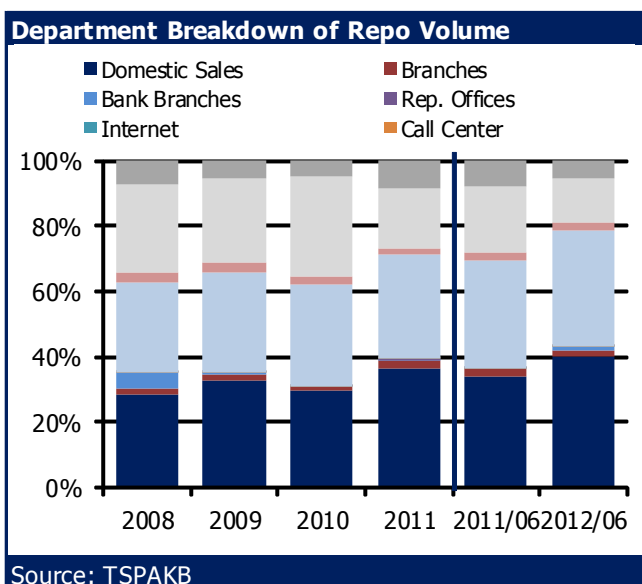
ISE Repo Market is one of the leading organized repo markets of the world. Total repo trading volume surged by 87% y-o-y to US\$ 4 trillion in 1H2012. These transactions also include OTC market transactions that represent 7% of the total volume.

52 brokerage firms and 38 banks traded in the repo market in 1H2012. First 5 intermediaries generated 68% of repo transactions in 1H2012. Similar to bonds and bills market, banks dominate the repo market. Brokerage firms' share in total repo transactions fell by 7 percentage points y-o-y to 10% in 1H2012. The brokerage firms' repo trading volume was US\$ 399 million in 1H2012.



As in bonds and bills trading, the breakdown of the repo volume, in terms of departments and investor categories, includes the brokerage firms' figures only.

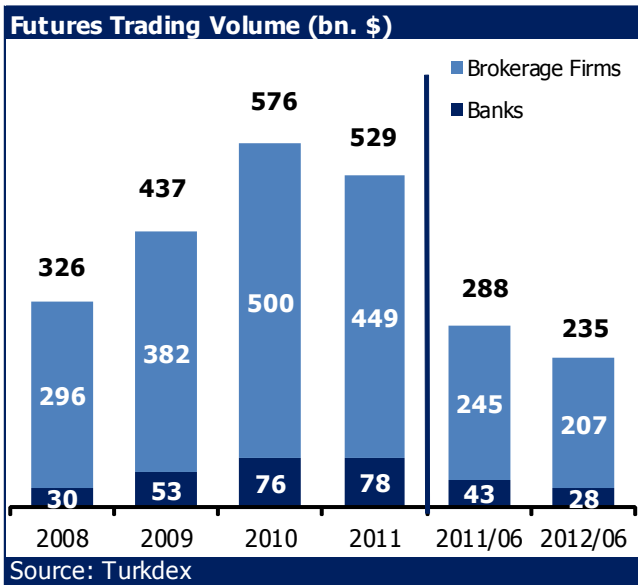
Domestic investors create almost the entire repo trading volume of brokerage firms. Domestic institutional investors, which mainly represent the money market mutual funds managed by brokerage firms or their affiliated portfolio management companies, are the major investor group with a share of 85%. One brokerage firm generated half of the domestic institutional investors' repo volume. Foreign investors' repo trading through brokerage firms is quite limited with a mere 1% share. It is known that, foreign investors prefer to trade fixed income instruments through banks rather than brokerage firms.



A considerable amount of repo trading was done through domestic sales department (52%) and by mutual funds (36%). Propriety trading represents 4% of brokerage firms' total repo transactions.

Concentration in repo transactions among brokerage firms is relatively high. A single brokerage firm generated 41% of total volume.

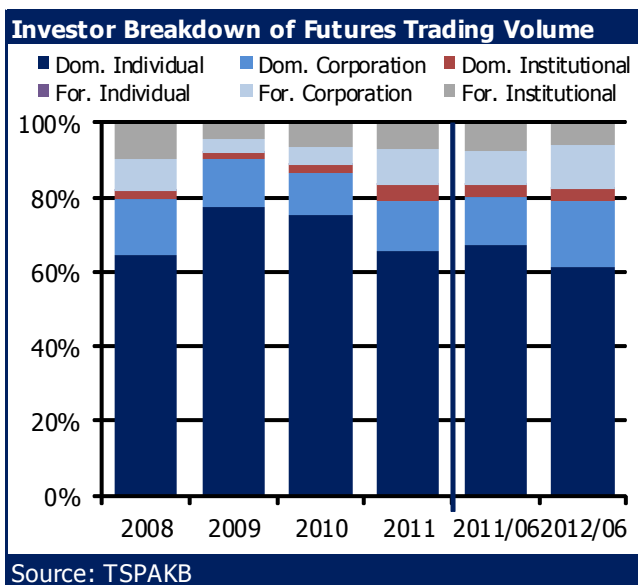
FUTURES MARKET



In the Turkish Derivative Exchange (TurkDex), brokerage firms, derivatives brokerage firms and banks are authorized to trade. Derivatives brokerage firms are allowed to trade only in this market. At the end of 1H2012, only futures contracts are traded in TurkDex.

The trading volume in TurkDex decreased by 18% to US\$ 235 billion in the first half of 2012. The decline largely reflects the depreciation of TL, since the contraction is only 3% in TL terms.

71 brokerage firms, 1 derivatives brokerage firm and 11 banks traded in this market in 1H2012. Contrary to the fixed income market, brokerage firms dominate the market with an 88% trading share. First 5 institutions (4 brokerage firms and 1 bank) generated 40% of total futures trading volume in 1H2012.

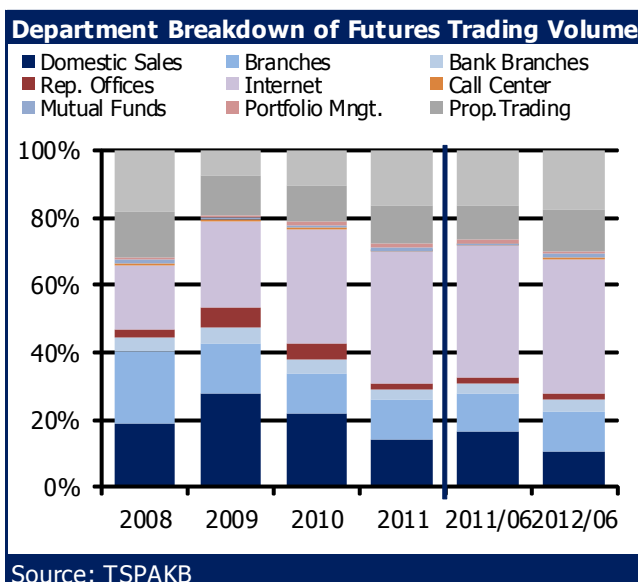


The breakdown of the futures trading volume includes the brokerage firms and the derivatives brokerage firm's statistics only.

Although their share fell by 5 percentage points y-o-y in 1H2012, domestic individual investors are the major group with a share of 62% in brokerage firms' futures transactions. Trading volume is driven by domestic individuals as in the equity market.

Domestic corporations' (mainly reflecting the proprietary trading of brokerage firms) market share increased by 5 percentage points to 17%. Domestic institutional investors' share is rather limited at 3%.

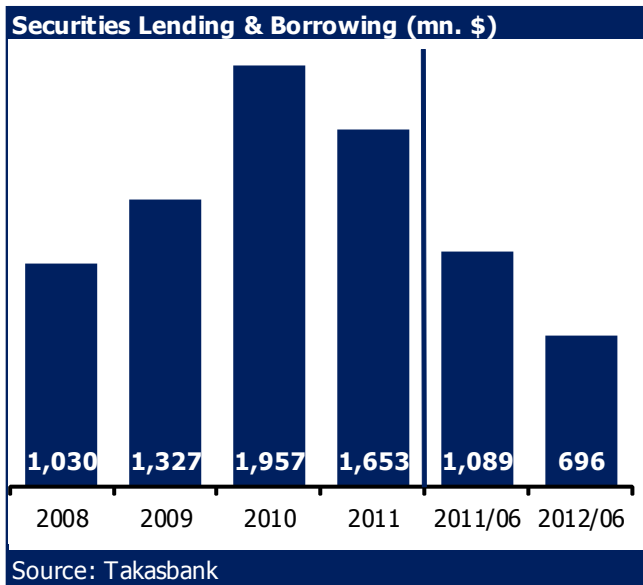
Foreign investors' share in the trading volume slightly increased to 18% in 1H2012 from 17% in 1H2011. Yet, the share of foreign investors was around 20% before the crisis. Meanwhile, concentration in foreign investors' futures trading volume is high. Five brokerage firms generated 78% of the foreign investors' futures trading volume.



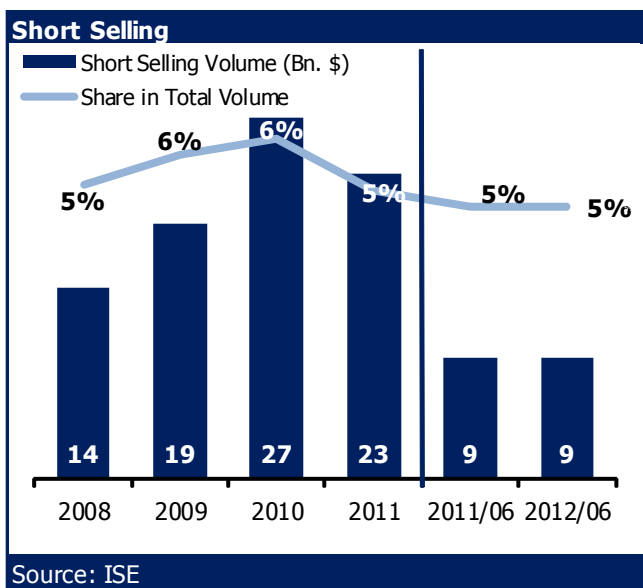
As in equity trading, the internet transactions are well ahead of other departments in futures trading with a share of 40%. Meanwhile, the share of internet transactions in the futures market exceeded that of equity market.

The domestic sales department, representing the headquarters of brokerage firms, generated 10% of the futures trading volume in 1H2012. The share of the domestic sales department was 17% in 1H2011. In the first half of the year 2012, 17% of futures transactions have been done through brokerage firms' branches, representative offices and bank branches. 12% of total volume belongs to the brokerage firm's trading on its own accounts.

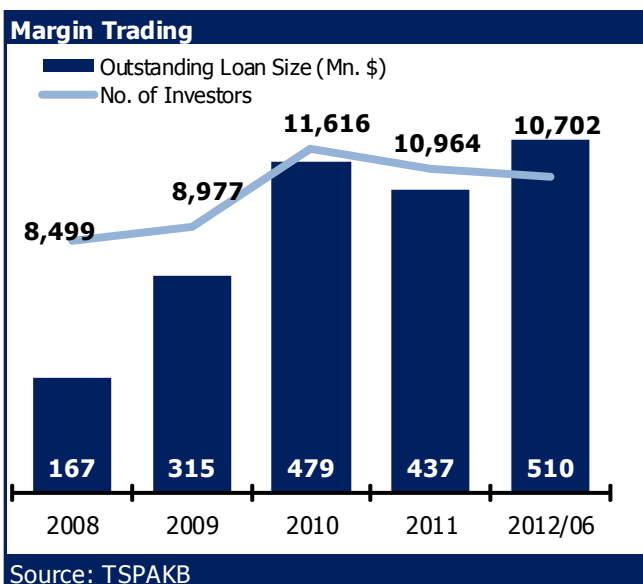
LENDING, BORROWING, & MARGIN TRADING



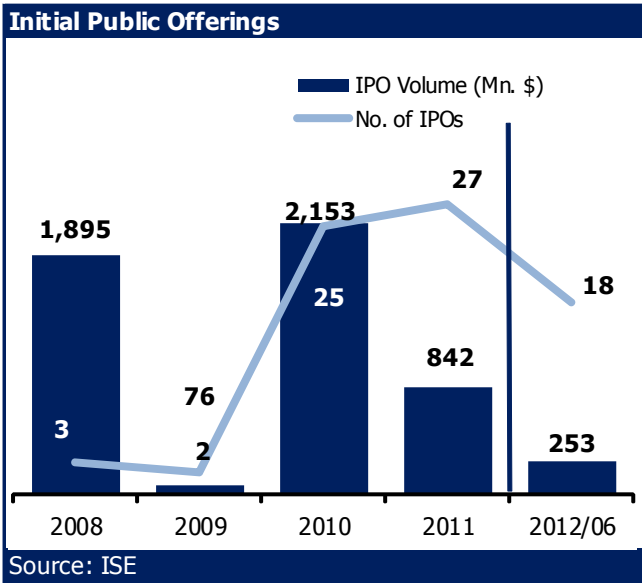
Takasbank (ISE Settlement and Custody Bank) operates the Securities Lending and Borrowing Market. The volume of these transactions declined by 36% to US\$ 696 million in 1H2012.



The short selling transactions were on a rising trend between the years 2007 and 2010. However, short selling volume decreased by 15% to US\$ 23 billion in 2011 due to the CBT's measures to limit the short selling operations. In the 1H2012 downward trend did not continue and short selling volume stood at US\$ 9 billion. The share of short selling in total trading volume was around 5% both in 1H2011 and 1H2012.

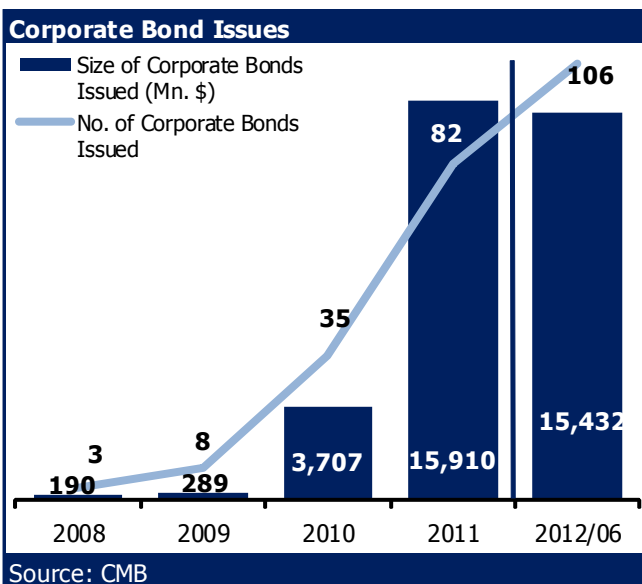


Amidst the global financial crisis, total loan size and the number of margin trading investors decreased sharply. As in other activities of brokerage firms, a recovery started from the second half of 2009 and continued during the year 2010. 65 brokerage firms have margin-trading customers as of 1H2012. Outstanding loan size went up by 17% y-t-d and reached US\$ 510 million. Around 11,000 investors borrowed for their equity transactions. Average loan size per investor is roughly US\$ 46,000.

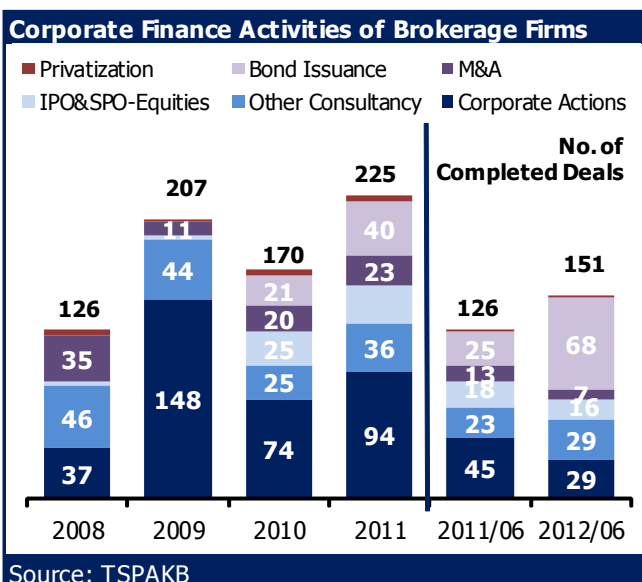


The global financial crisis limited the number of public offerings and in 2009 there were only two IPOs amounting to US\$ 76 million. With favourable market conditions and the support of the IPO campaign, the primary market revived in 2010. The recovery in the IPO market continued in terms of numbers, but the value fell sharply by 61% in 2011. The average IPO size decreased to US\$ 31 million in 2011 from US\$ 86 million in 2010.

In 1H2012, 18 IPOs took place with a size of US\$ 253 million. Out of 18 IPOs, 6 companies were listed in the Emerging Companies Market and 11 companies were listed in the Second National Market. In addition, 1 real estate investment trust went public in 1H2012. The average IPO size continued to decline in 1H2012. It was almost half of the year 2011's average with US\$ 14 million.



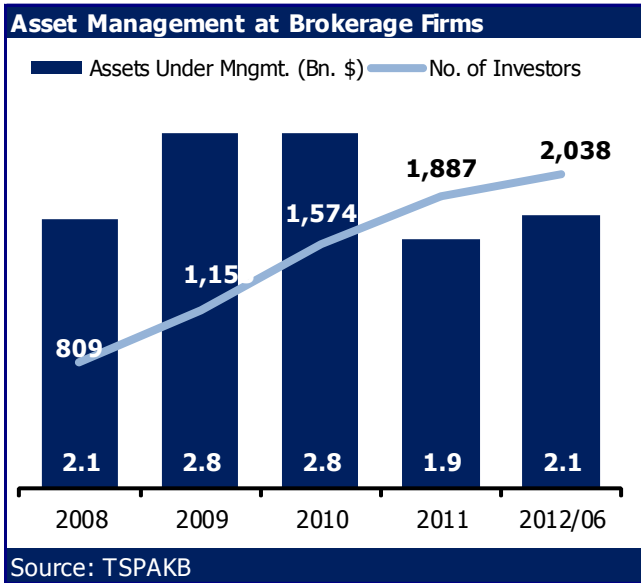
Following the revisions in relevant regulations to revive the market and the declining interest rates, the corporate bond market almost exploded in 2011. In 2011, 82 bond issue applications were registered by Capital Market Board with a size of US\$ 16 billion. Major issuers were banks. New type of debt securities, like asset backed securities and sukuk (Islamic bonds) were introduced for the first time in 2011. As of June 2012, 106 bond issue applications were registered by the Capital Market Board with a size of US\$ 15 billion.



Corporate finance services are provided by brokerage firms, as well as consultancy companies. This section covers only the corporate finance activities of brokerage firms. 31 brokerage firms were active in this market in 1H2012.

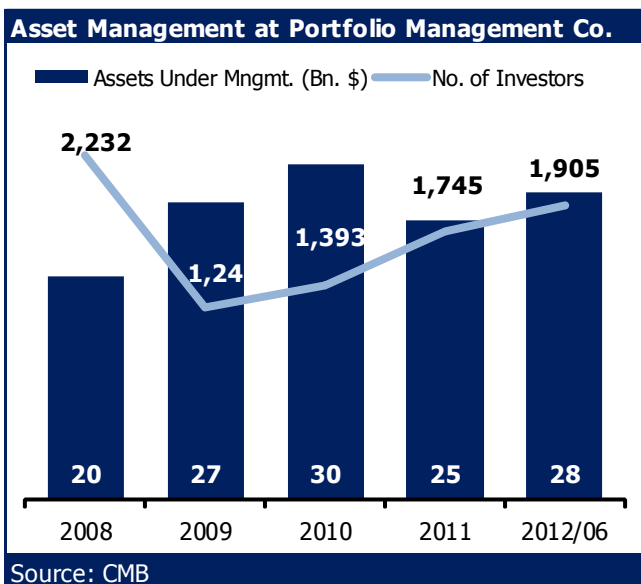
In the first half of 2012, the number of finalized transactions increased to 151 from 126 in 1H2011. There is a sizeable y-o-y increase in bond issuance in 1H2012. 68 bond issuances were finalized in 1H2012 versus 25 in 1H2011. The brokerage firms also completed 29 corporate actions (17 capital increases and 12 dividend payments) in 1H2012 versus 23 in 1H2011. Additionally, 7 M&A projects, of which 6 were buy-side, were finalized. Other consultancy deals were mainly valuation services and almost half of them belongs to a single brokerage firm.

ASSET MANAGEMENT & BRANCH NETWORK



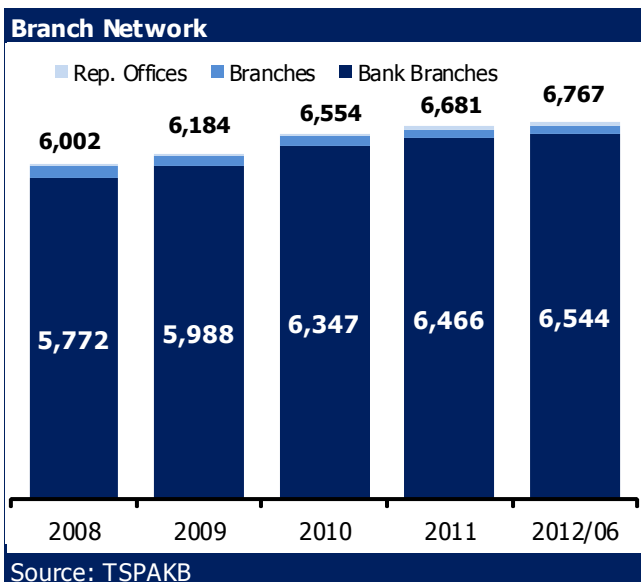
Asset management services are provided by portfolio management firms and brokerage firms. The data for portfolio management firms has been gathered from the Capital Markets Board. Total asset under management by professionals is around US\$ 30 billion as of 1H2012.

36 brokerage firms were offering asset management services as of 1H2012. The number of investors increased to 2,038 and the assets under management increased by 9% to US\$ 2.1 billion. Two thirds of this portfolio belongs to fixed income funds, most of which are money market funds. 19 brokerage firms manage equity funds with US\$ 183 million portfolio (9% of total). Remaining 25% represents individual and institutional investors' and other corporations' managed portfolios.



30 portfolio management companies were active in this market as of end 1H2012. The number of investors at portfolio management companies slightly increased to 1,901 in 1H2012, and total assets under management improved by 12% y-o-y to US\$ 28 billion. 547 institutional investors own 89% of this amount.

Average portfolio for institutional investors is around US\$ 9 million in brokerage firms, versus US\$ 45 million in portfolio management companies.

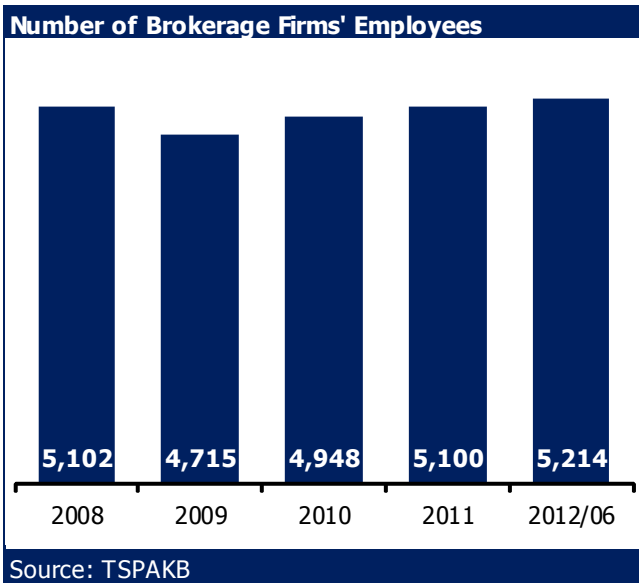


Brokerage firms may reach investors through bank branches, own branches and representative offices in addition to the headquarters.

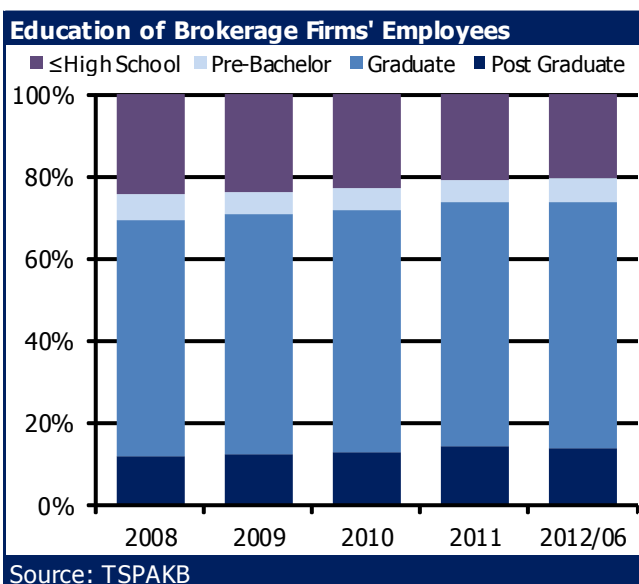
Branches and representative offices are owned and staffed by brokerage firms. Bank branches are also used as sales agents, based on agreements between the banks and the brokerage firms. As end of 1H2012, 50 brokerage firms have at least one of the three types of branches.

The decline in the number of branches and representative offices was accelerated with the global crisis. In 2010, the number of branches and representative offices increased for the first time since 2006. The increase continued in 2011 and 1H2012. The number of representative offices rose to 67 in 1H2012, from 61 at the end of 2011. On the other hand, the number of branches decreased to 156 from 159 in the same period. The number of bank branches continued to increase and reached 6,544 in the first half of the year from 6,466 at the end of 2011.

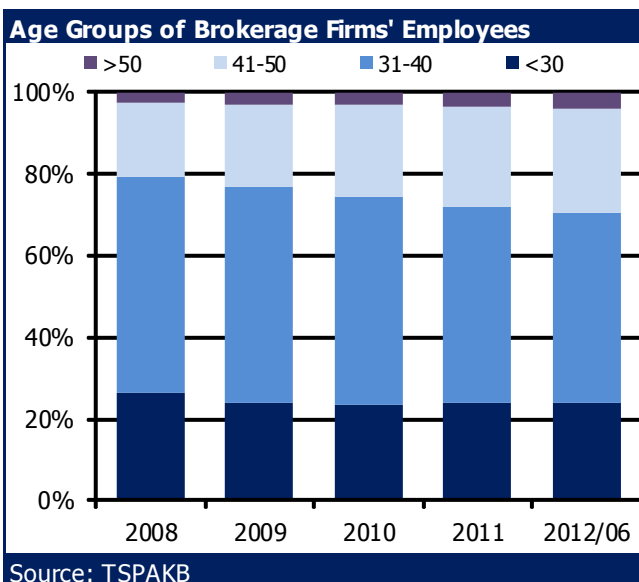
EMPLOYEES



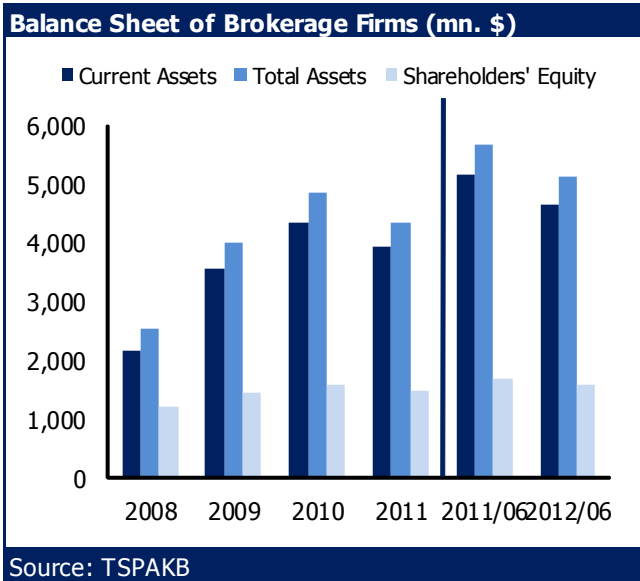
Between 2004 and 2007, brokerage firms employed around 5,900 personnel. Amidst the global crisis, brokerage firms reduced the headcount to 4,700 in two years. Thanks to the market recovery, the number of employees started to rise since 2010. As of June 2012, brokerage firms are employing 5,214 professionals versus 5,100 as of end 2011. The increase in the number of employees is mainly due to new entries in the market. In 1H2012, two new brokerage firms went into operation. The average number of employees at a brokerage firm is 54.



The education level of the sector has been increasing. The share of employees that have at least a graduate diploma increased to 74% in 1H2012 from 68% in 2007. Moreover, post-graduate segments' weight increased by 2 percentage points to 14% as compared to end-2008.



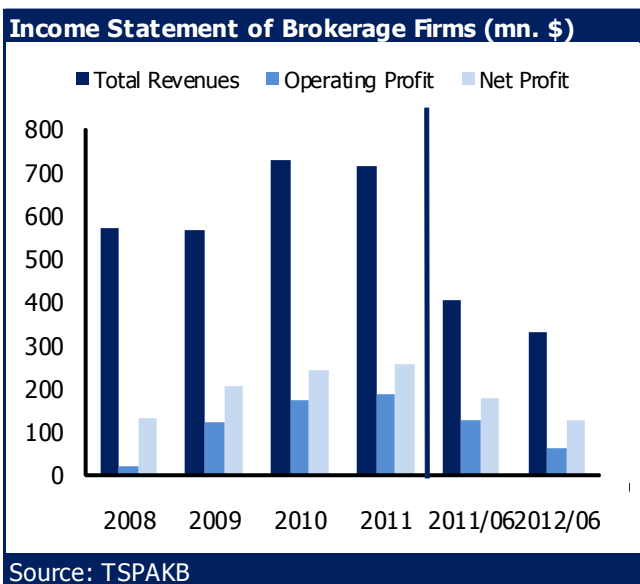
An aging trend is observed in the industry. Nearly half of the employees are aged between 31 and 40. In 2008, 18% of the employees were aged between 41 and 50, while this ratio increased to 26% as of end 1H2012.



96 brokerage firms' stand-alone financial statements, prepared according to the International Financial Reporting Standards (IFRS), were collected in 2012/06.

At the end of June 2012, brokerage firms' total assets decreased by 10% y-o-y to US\$ 5.1 billion. The decline in the assets was due to the TL depreciation. Asset structure continued to be quite liquid as 93% of the total assets is composed of current assets. Cash and cash equivalents form 51% of total assets.

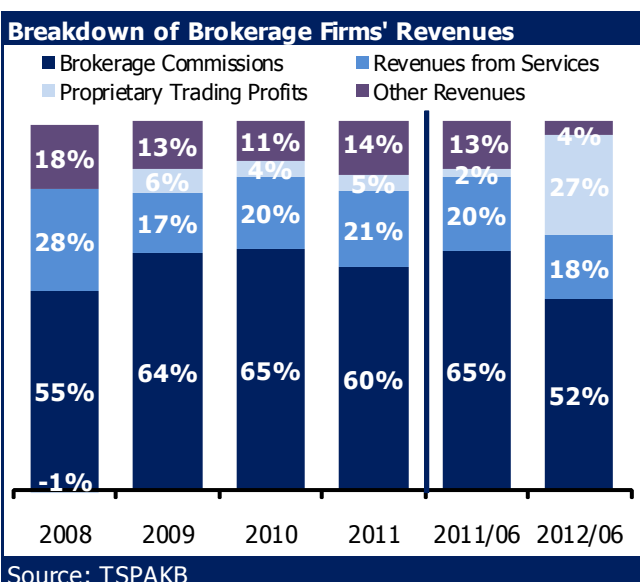
Shareholders' equity of the industry is US\$ 1.6 billion, equaling to 31% of total liabilities. It was over 50% as of end 2008. The decline in the equity's share is due to the rising short term debt. Short term liabilities (68%) are related to overnight borrowings and settlement dues. Two brokerage firms, which borrowed short term from the money market and invested in longer term bank deposits, composed 83% of the overnight borrowings of the brokerage industry.



Brokerage firms' total revenues decreased by 18% y-o-y to US\$ 331 million in the first half of 2012. The deterioration in the value of TL negatively affected the sector's top-line as there is a 7% y-o-y contraction in TL terms. Operating profits of the industry decreased by 52% y-o-y to US\$ 61 million in the first half of the year. Lower revenues coupled with high operating expenses dragged down the operating profits.

On the other hand, deterioration in the net profit is moderate with 28%. The net profit decreased to US\$ 127 million in the first half of 2012, from US\$ 176 million in the first half of 2011. Positive effect of the higher financial profits owing to one brokerage firm's swap operations supported the bottom-line.

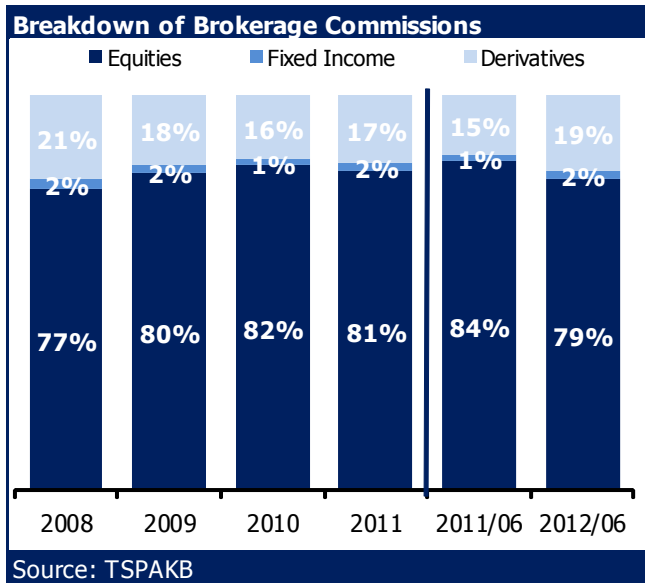
Brokerage firms generate revenues from brokerage commissions, services, proprietary trading and other operations.



Even though brokerage commissions decreased in 2012/06, they are still the major revenue source for the industry. As of 2012/06, 52% of the revenues came from brokerage commissions.

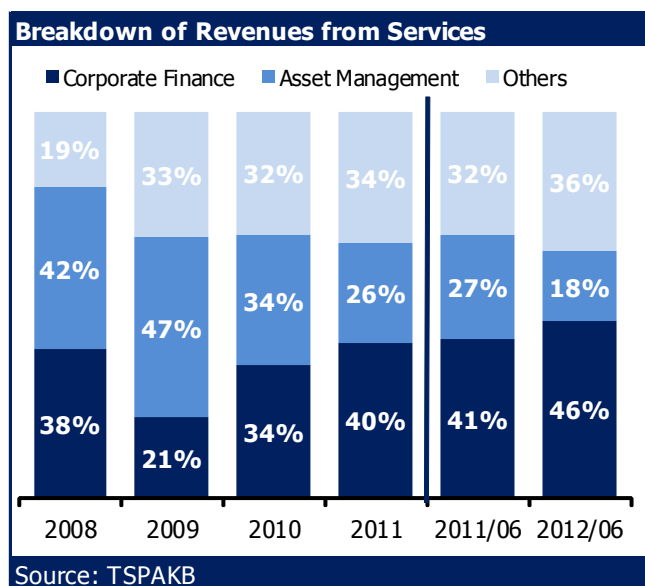
Proprietary trading profits contributed to 27% of total revenues in the same period versus 2% in 2011/06. The increase in the share of proprietary trading profits is due to FX trading, which started in August 2011. 13 brokerage firms generated US\$ 31 million from the forex transactions in 1H2012. In addition to that, one brokerage firm's revenue from derivative trading supported the sector's proprietary trading profits with US\$ 46 million.

Proprietary trading profits are followed by revenues from services (18%), which refer to corporate finance and asset management activities. The share of other revenues, including mainly interest income and dividends received, decreased by 9 percentage points to 4%.



In 1H2012, brokerage firms earned US\$ 171 million in brokerage commissions. The brokerage revenues declined by 35% y-o-y in 1H2012 as a result of the decrease in equity trading volume and the commission rates. Commissions on equity trading generate 79% of total commission revenues. Equity trading volume contracted by 33% y-o-y to US\$ 353 billion in 1H2012. In the first half of the year, the effective commission rate declined to 0.040% as compared to 0.043% in 1H2011. Effective commission rate on equity trading is calculated as the net amount left to the brokerage firm, excluding rebates to clients and revenue sharing with the sales agents. Please note that this should not be interpreted as the rate charged from the client.

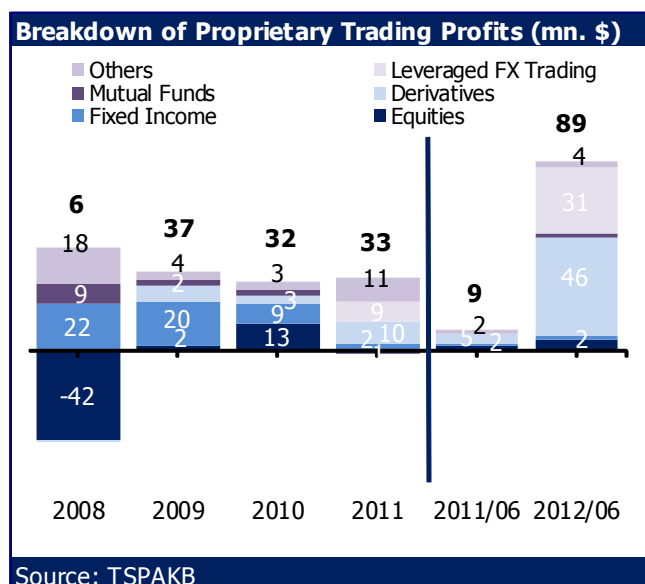
Brokerage firms generated 19% of their commissions from derivatives trading. In 1H2012, both derivatives volume and commissions from derivatives trading declined respectively by 15% and 17% in terms of US\$. The effective commission rate on derivatives trading was 0.018%, same as in 1H2011.



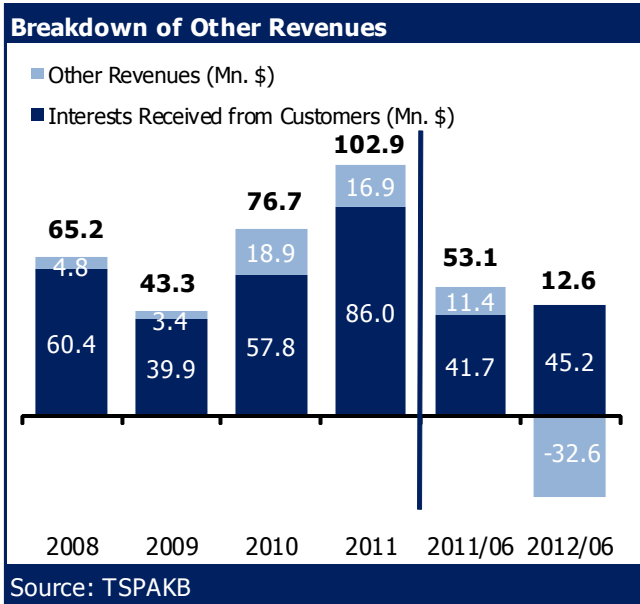
Revenues from services cover mainly asset management and corporate finance fees. "Others" refers to fees charged on custody services, other consultancy services, as well as money and securities transfers. Services revenues recorded US\$ 106 million, down 28% as compared to 1H2011.

In 1H2012, the most considerable change occurred in the revenues from asset management activities, which decreased by 53% to US\$ 10 million. The total assets under brokerage firms' management decreased by 30% y-o-y as of 1H2012. Moreover, the upper limit for management fees were gradually decreased to daily 0.03% in the year 2012 from daily 0.1% in 1H2011, by the Capital Markets Board of Turkey.

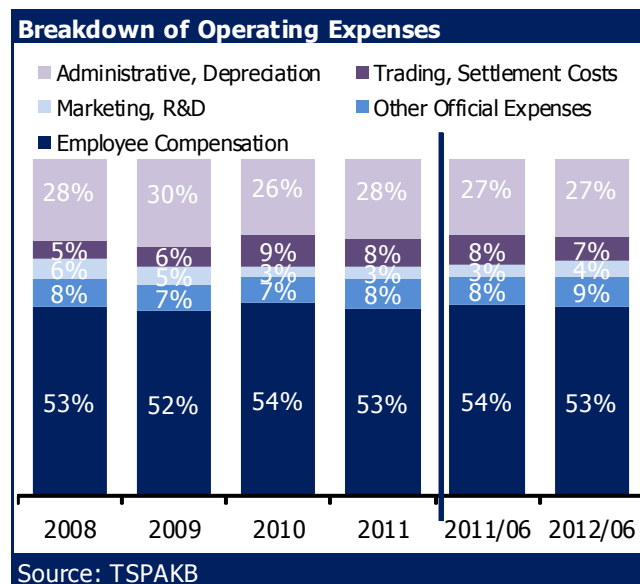
Corporate finance activities' share reached 46% of revenues from services, despite a 19% y-o-y decline.



Brokerage firms' proprietary trading profits surged to US\$ 89 million in 1H2012 from US\$ 9 million in 1H2011. Derivatives and leveraged FX trading became the major source of proprietary trading revenues. The profit from derivatives trading reached US\$ 46 million in 1H2012 versus US\$ 5 million in the same period of last year, owing to one brokerage firm's transactions. Additionally, the profit from leveraged FX trading recorded US\$ 31 million in the first half of the year.



In 2011, interests received from customers, including margin trading and short selling, increased to US\$ 86 million from US\$ 58 million in 2010. As of the end 1H2012, interests received from customers slightly rose to US\$ 45 million from US\$ 42 million in 1H2011. Other revenues, which mainly refer to one brokerage firms' arbitrage trading loss was at US\$ 33 million in 1H2012 versus US\$ 11 million profit in 1H2011.



In 1H2012, operating expenses of the brokerage industry slightly decreased by 5% to US\$ 284 million. Despite a 9% y-o-y increase in TL terms, weaker TL in 1H2012 resulted in lower operating expenses. 53% of the expenses correspond to employee compensation (including social security payments, health insurance and alike). On the other hand, although displaying a 6% y-o-y increase in TL terms, the average monthly cost of an employee dropped to US\$ 2,865 in 1H2012 from US\$ 3,210 in 1H2011 with the depreciation of the Turkish lira.

Trading and settlement costs were US\$ 35 million. Administrative and depreciation expenses, which include office rents, other infrastructure expenses and depreciation, represent 28% of total expenses with US\$ 69 million, down 2% y-o-y.

Breakdown of Brokerage Firms' Profits

	2011/06	2012/06	Change
No. of Profit Makers	65	56	-14%
No. of Loss Makers	28	40	43%
Total Profit (Mn. \$)	182.6	140.4	-23%
Total Loss (Mn. \$)	-7.0	-14.2	102%
Net Profit/Losses	175.5	126.2	-28%

Source: TSPAKB

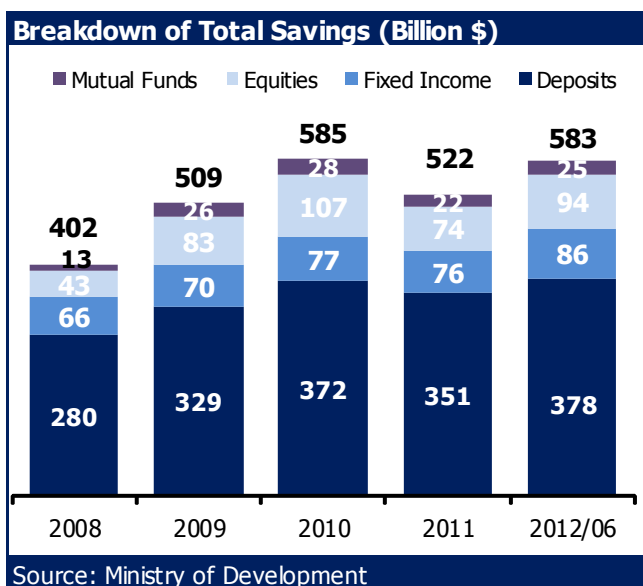
The brokerage firms' aggregate net profits decreased by 28% y-o-y in 1H2012 along with the contraction in the number of profit makers. 56 brokerage firms recorded a profit of US\$ 140 million, while 40 brokerage firms posted losses of US\$ 14 million. The most profitable brokerage firms' profit was US\$ 31 million, whereas the highest loss incurred by a brokerage firm was US\$ 1 million.

Brokerage Firms' Profitability

	2011/06	2012/06	Change
ROE	17.0%	13.1%	-22.9%
EPS (TL)	0.30	0.23	-22.8%

Source: TSPAKB

Return on equity (ROE) of the sector deteriorated to 13% as of 1H2012, versus 17% as of 1H2011, parallel to the decline in the sector's net profit. Similar trend could be observed in the earnings per share (EPS). EPS dropped to 0.23 TL in 1H2012 from 0.30 TL in 1H2011.



As of end June 2012, total savings in Turkey increased by 12% y-t-d to US\$ 583 billion. In TL terms, total savings went up by 7% in the same period. Domestic residents hold 79% of the total savings.

Bank deposits continued to be the major component in savings. Investors hold US\$ 378 billion in bank deposits as of end 1H2012. Total investments in equities increased to US\$ 94 billion in 1H2012 from US\$ 74 billion in 1H2011. Both fixed income securities and mutual funds increased by 13% in the same period.

Number of Equity Investors (thou.)

	2010	2011	2012/06
Domestic Investors	1,035.6	1,090.1	1,086.4
Dom. Individuals	1,032.5	1,086.4	1,082.0
Dom. Corporations	2.7	3.2	3.8
Dom. Institutionals	0.5	0.5	0.6
Foreign Investors	7.5	7.7	7.8
For. Individuals	4.3	4.5	4.6
For. Corporations	1.0	1.1	1.1
For. Institutionals	2.2	2.1	2.2
Total	1,043.1	1,097.8	1,094.2

Source: CRA

The number of investors with equity holdings is approximately 1.1 million at the end of 1H2012. Almost 4,000 domestic retail investors liquidated their equity portfolios in the first 6 months of the year 2012.

Equity Ownership mn. \$

	2010	2011	2012/06
Domestic Investors	36,309	29,966	34,928
Dom. Individuals	21,193	16,984	18,921
Dom. Corporations	11,677	10,001	12,168
Dom. Institutionals	3,439	2,982	3,838
Foreign Investors	71,267	49,235	58,700
For. Individuals	264	196	222
For. Corporations	21,583	14,399	17,700
For. Institutionals	49,420	34,640	40,778
Total	107,576	79,201	93,628

Source: CRA

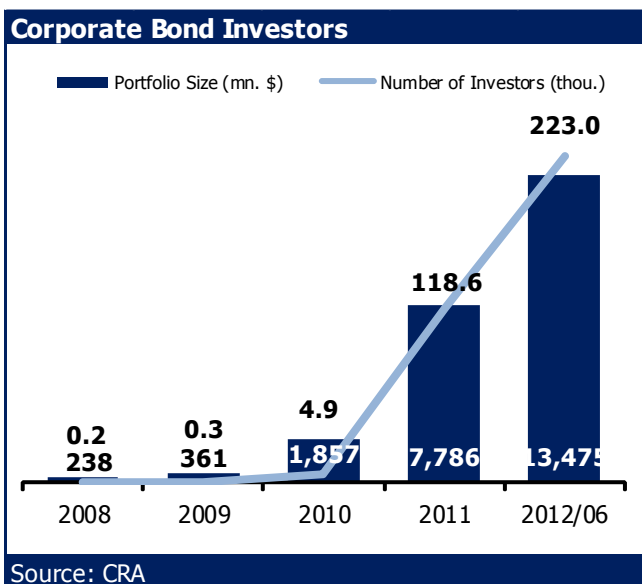
Both global and local developments resulted in a decline in the total equity holdings in 2011. Total portfolio size deteriorated to US\$ 79 billion at the end of 2011, from US\$ 108 billion in 2010. As of end 1H2012, total equity portfolio increased back to US\$ 94 billion. Foreign investors hold 63% of the equity portfolio. Foreign institutional investors hold 44%. Foreign corporations, which include banks and brokerage firms, rank second among the foreign investors with 19%.

Domestic investors' share in equity holdings steadily increased by 10 percentage points in the last five years to 37% at the end of 1H2012. Compared to year-end 2011, there is a slight contraction of 1 percentage point in the share of domestic investors.

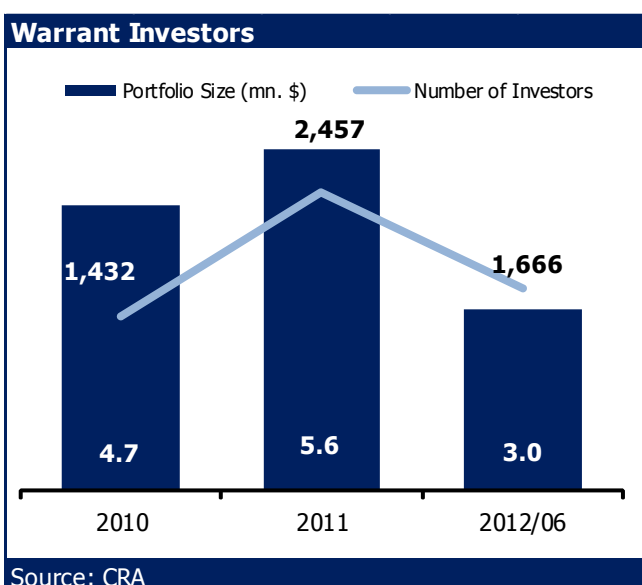


After reaching 67% in 2008, foreign investors' share in total market capitalization has been decreasing regularly and it recorded 63% at the end of 1H2012.

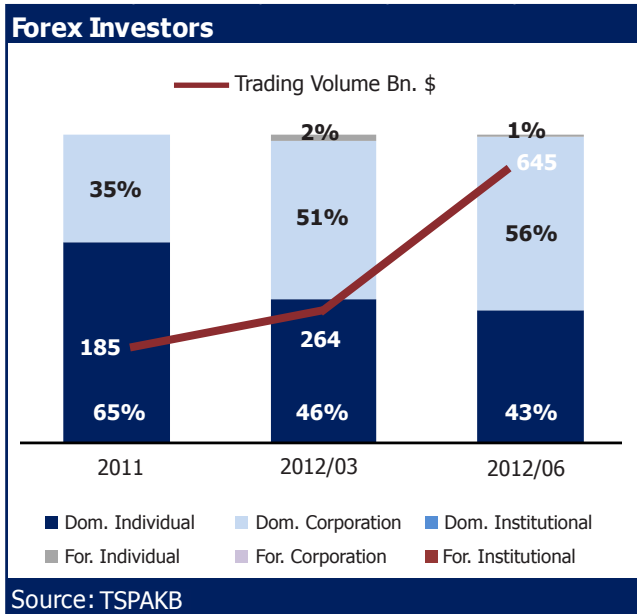
Due to the global crisis, trading volume share of foreigners decreased significantly, from 27% in 2008 to 14% in 2009. In 2010 and 2011, foreign investors generated 16% of the trading volume. In the 1H2012, the share of foreign investors in the trading volume slightly increased to 18%.



Both the number of investors and the size of corporate bond holdings rapidly increased in the last two years. While the number of investors reached 223,000, their portfolio size exceeded US\$ 13 billion at the end of 1H2012.

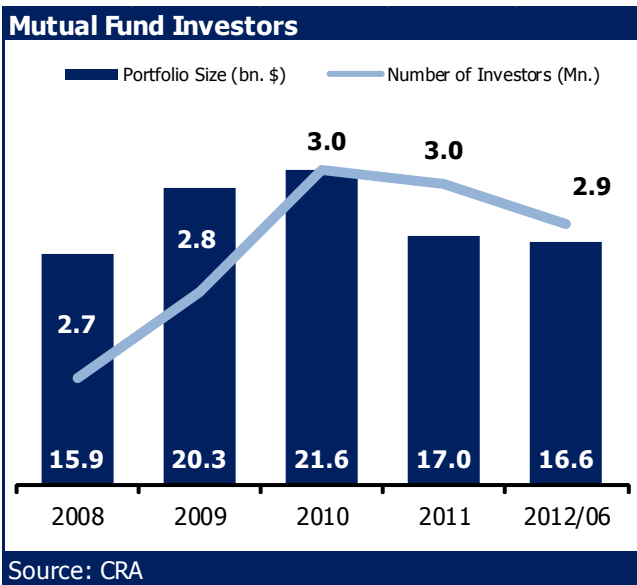


After its inception in August 2010, portfolio size in the warrant market reached US\$ 5.6 million as of year-end 2011. On the other hand, the portfolio size decreased to US\$ 3 million as of end 1H2012. The number of warrant investors also contracted to 1,666 from 2,457 in the same period.

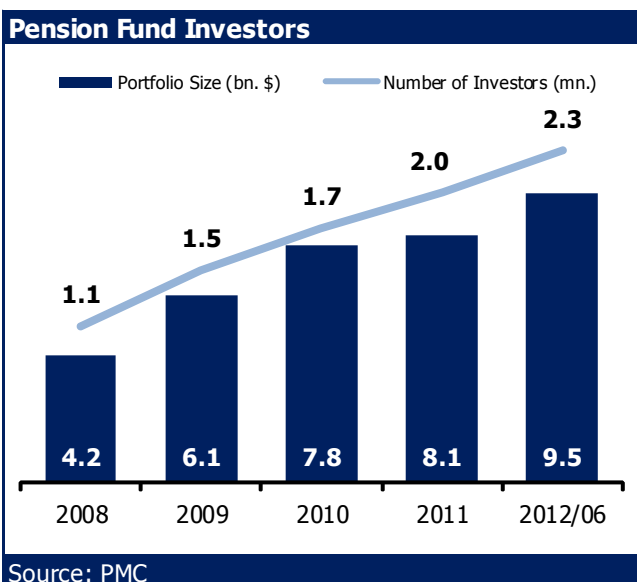


Forex market showed a remarkable growth, after it became regulated in September 2011. The trading volume in the forex market reached US\$ 645 billion as of 1H2012 (twice the equity trading volume and three times the derivatives trading volume).

Domestic retail investors (43%) and domestic corporations (56%) dominated the market. The high share of the domestic corporations is due to brokerage firms' hedging operations.



As of end 1H2012, the number of mutual fund investors was 2.9 million, which is almost three times higher than equity investors. Total size of mutual funds slightly declined to US\$ 16.6 billion as of end 1H2012 from US\$ 17 billion at the beginning of the year, due mainly to the depreciation of TL.



Despite the global financial crisis, pension funds market is showing a steady growth since its inception in 2003. At the end of 1H2012, the number of pension fund investors increased to 2.3 million, while the asset size reached US\$ 9.5 billion.

Capital Market Institutions

Capital Markets Board of Turkey
Central Securities Depository
Istanbul Gold Exchange
Istanbul Stock Exchange
Takasbank - Settlement and Custody Bank
Turkish Derivatives Exchange
Capital Markets Licensing and Training Agency

www.cmb.gov.tr
www.mkk.com.tr
www.iab.gov.tr
www.ise.org
www.takasbank.com.tr
www.turkdex.org.tr
www.spl.com.tr

Public Institutions

Banking Regulation and Supervision Agency
Central Bank of the Republic of Turkey
Financial Crimes Investigation Board
Pension Monitoring Center
Undersecretariat of Treasury

www.bddk.org.tr
www.tcmb.gov.tr
www.masak.gov.tr
www.egm.org.tr
www.treasury.gov.tr

Professional Associations

Association of Capital Market Intermediary Institutions of Turkey
Association of Brokerage Firms' Managers
Association of Publicly Traded Companies' Managers
Association of Stock Market Investors
Banks' Association of Turkey
Corporate Governance Association of Turkey
Investor Relations Association of Turkey
Participation Banks' Association of Turkey
Turkish Institutional Investment Managers' Association

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