

MAY 2012

TURKEY

BROKERAGE INDUSTRY REVIEW 2011

EQUITY
MARKET

DERIVATIVES

ASSET MANAGEMENT

FIXED INCOME

CORPORATE
FINANCE



TSPAKB THE ASSOCIATION OF CAPITAL MARKET
INTERMEDIARY INSTITUTIONS OF TURKEY

TURKISH BROKERAGE INDUSTRY REVIEW 2011

Edited by

Alparslan Budak
Ekin Fıkirkoca

Written by

Gökben Altaş
Özcan Çikot

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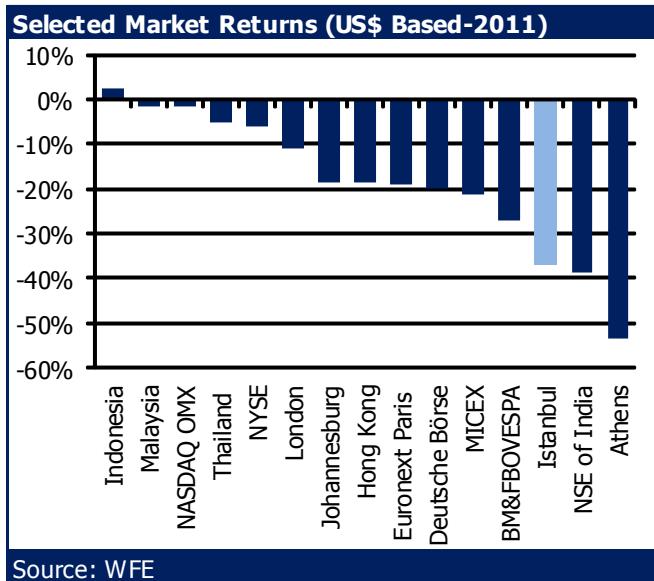
ABBREVIATIONS

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



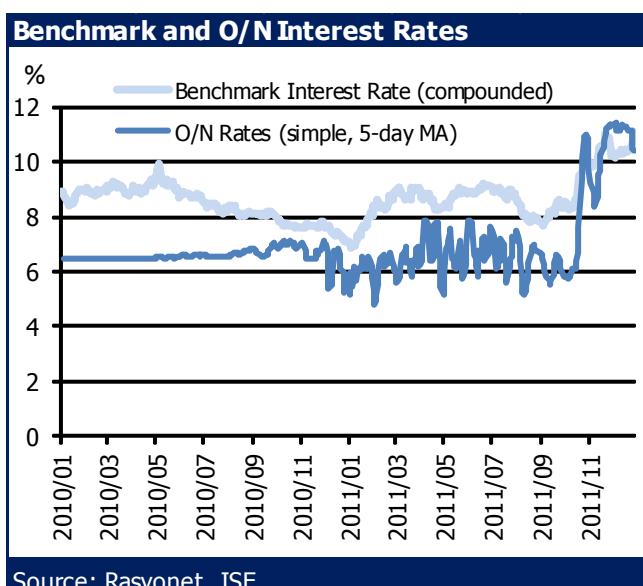
Following the global crisis, equity markets recovered in 2009 with the help of the stimulus packages introduced by governments. The recovery continued in 2010 with differentiation among country groups, as emerging markets outperformed developed markets.

2011 was a volatile year and the fears of sovereign debt crisis in developed countries dominated the markets. The stock markets have shrunk dramatically especially in emerging countries. This trend has been reinforced by the devaluation of local currencies in several regions. In the same period, ISE-100 Index has dropped by 37% in US\$ terms and became one of the worst performers.



Following the crisis, an up-trend started in the Istanbul Stock Exchange in the second quarter of 2009. During 2010, the index continued its advance and ended the year by a 25% rise in TL terms. After moving sideways in the first months of 2011, the index entered a downward trend with the effect of unfavorable global environment and rising concerns on the Turkish economy. The index closed the year at 51,267 points by a 22% decrease in TL terms.

The average daily trading volume decreased by 11%, from US\$ 1.7 billion in 2010 to US\$ 1.5 billion in 2011. However in TL terms the daily trading volume increased by 8%.



Thanks to rate cuts by the Central Bank and the decline in the risk premium, a downward trend was observed in the interest rates from 2008 to 2010. Benchmark bond yields declined from 16% at the end of 2008, to 7% at the end of 2010.

In 2011, the interest rates went up significantly in the last quarter of the year with rising inflation rates and the Central Bank's new monetary policy stance.



In Turkey, only brokerage firms are allowed to trade equities.

After the contraction caused by the financial crisis, the equity trading volume recovered starting from 2Q2009. Trading volume increased by 35% to US\$ 426 billion in 2010. Total turnover remained stable in 2011 in US\$ terms, while, it increased by 9% in TL terms. In 2011, 86 brokerage firms traded in the equity market. First 5 of them generated 27% of the total volume.



Domestic investors generated 85% of the total equity trading. Domestic individuals continue to drive the equity market with a 68% share. On the other hand, these investors hold around only one fifth of the free float, as of end-2011. Volume share of domestic corporations and institutional investors are stable around 8% each.

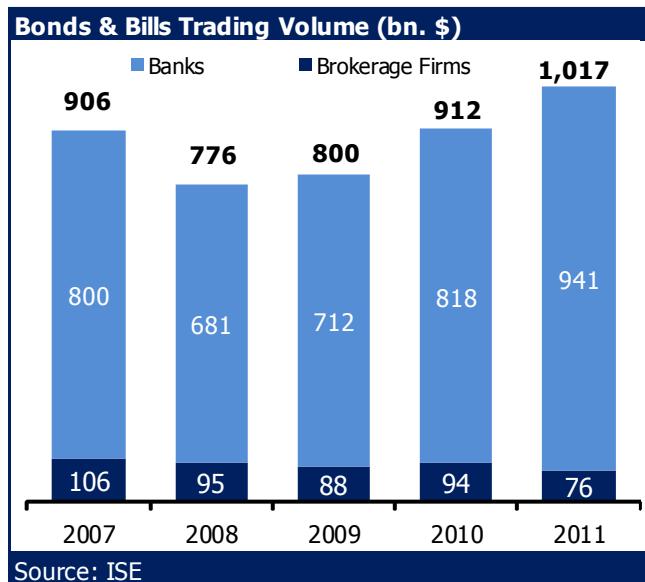
The share of foreign investors in the trading volume had continuously increased from 2004 to 2008. Their share reached a historic high of 33% in May 2008. However, as the financial crisis deepened, this trend reversed with the figure retreating to around 15% since 2009. This ratio was 16% in 2011. Foreign corporations, which mainly refers to foreign banks and brokerage firms, created 11% of the trading volume. In 2011, foreign institutional investors, 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 chart, mutual funds are included in the institutional investors group and proprietary trading is included in corporations.

The most significant change is observed in the trading volume through internet. The share of internet trading reached an all time high of 25% in 2011 and it became the major channel of equity trading. Domestic sales generated 22% of the total turnover which indicates a 4 percentage points increase in the market volume, as compared to 2010. 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, its trading volume has only 1% share in total.

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 2011, bonds trading volume of intermediaries increased by 12% to US\$ 1,017 billion. The share of OTC transactions increased from 35% in 2010 to 44% in 2011.

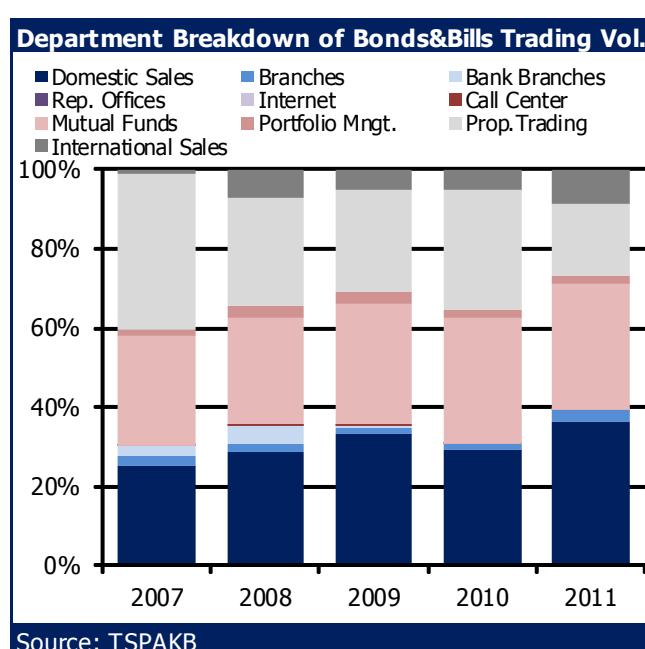
78 brokerage firms and 39 banks traded bonds and bills in 2011. First 5 banks generated half of the total volume. Brokerage firms have 8% share in the bonds and bills market, and their share has been declining since 2004.

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

91% 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 62% of total trading volume. Domestic corporations, mainly reflecting the proprietary trading of brokerage firms, generated 25% of bonds trading volume.

The share of foreign investors' bonds and bills trading has increased by 4 percentage points to 9% in 2011. 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 36% in 2011 from 30% in 2010. On the other hand, the share of proprietary trading decreased from 31% to 18% in the same period.

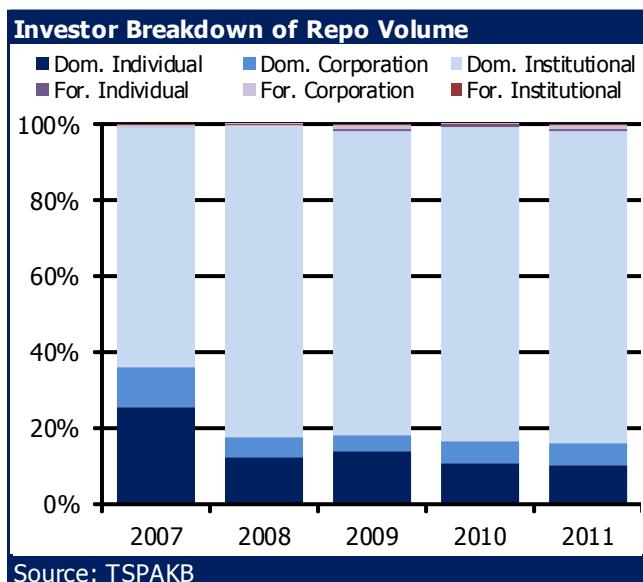




Total repo trading volume increased by 11% to US\$ 4.6 trillion in 2011. This figure also includes OTC market transactions that represent 7% of the total volume.

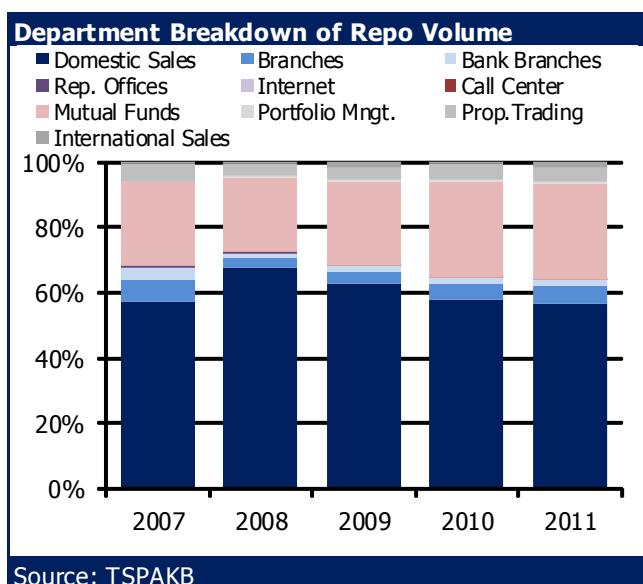
55 brokerage firms and 37 banks traded in the repo market in 2011. First 5 intermediaries (including 4 banks and 1 brokerage firm) generated 65% of the repo transactions. Similar to bonds and bills market, banks dominate the repo market. Brokerage firms' share in total repo volume fell by 2 percentage points to 15% in 2011.

Brokerage firms have a 15% share in the repo market as compared to 8% share in the bond market. The brokerage firms' repo trading volume was US\$ 675 million in 2011.



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

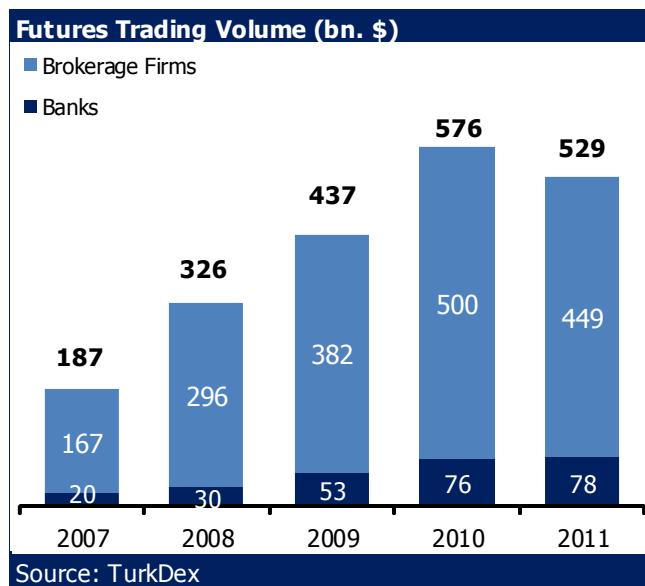
Domestic investors create almost the entire repo trading volume of brokerage firms. Domestic institutional investors, which mainly represent the money market mutual funds managed by brokerage firms or their affiliated portfolio management companies, are the major investor group with a share of 83%. One brokerage firm generated half of the domestic institutional investors' repo volume. Foreign investors' repo trading through brokerage firms is quite limited with 2% 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 (57%) and by mutual funds (29%). Proprietary 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.

DERIVATIVES MARKET



In the Turkish Derivatives Exchange (TurkDex), brokerage firms, derivatives brokerage firms and banks are authorized to trade. Derivatives brokerage firms are only allowed to trade in this market in Turkey. At the end of 2011, only futures contracts are traded in TurkDex.

The trading volume in the TurkDex decreased by 8% to US\$ 529 billion in 2011. This fall reflects the depreciation of TL, since the volume remained stable in TL terms.

71 brokerage firms, 1 derivatives brokerage firm and 14 banks traded in this market in 2011. Contrary to the fixed income market, brokerage firms dominate the market with an 85% trading share. Yet banks' market share has been rising since 2008. First 5 institutions (4 brokerage firms and 1 bank) generated one third of the total futures trading volume in 2011. Meanwhile, this ratio was 46% in 2007, indicating a decrease in the concentration among intermediaries.

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

Although their share fell by 9 points in 2011, domestic individual investors are the major group with a share of 66% in the 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 2 percentage points to 13%. Domestic institutional investors' share is rather limited at 4%.

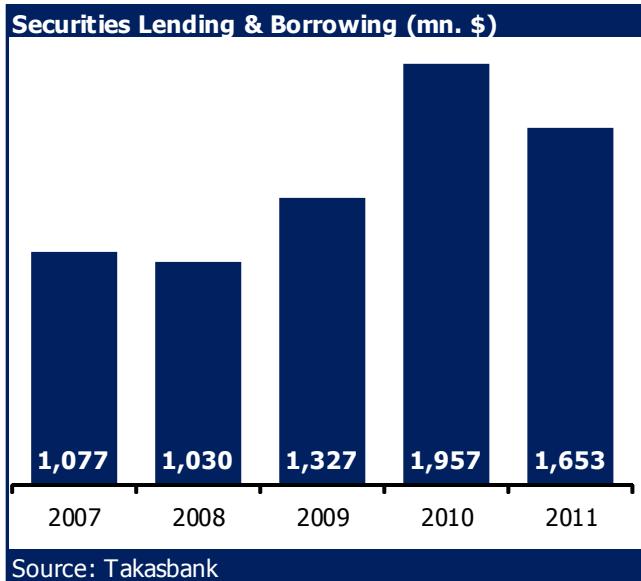
Foreign investors' share in the trading volume increased to 17% in 2011 from 11% in 2010. Yet, the share of foreign investors was around 20% before the crisis. Meanwhile, concentration in foreign investors' futures trading volume is high. Four brokerage firms generated 75% of the foreign investors' futures trading volume.

As in equity trading, internet transactions are well ahead of other departments in the futures market with a share of 37%. Meanwhile, the share of internet transactions in the futures market exceeded that of the equity market.

The domestic sales department, representing the headquarters of brokerage firms, generated 16% of the futures trading volume. 17% of futures transactions have been done through brokerage firms' branches, representative offices and bank branches. 11% of total volume belongs to the brokerage firm's trading on its own accounts.



LENDING, BORROWING, & MARGIN TRADING



Takasbank operates the Securities Lending and Borrowing Market. In 2011, 270 securities were subject to borrowing and lending transactions. The volume of these transactions declined by 16% to US\$ 1.7 billion in 2011.



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. The decline was a result of the amendments to regulations. The minimum margin amount (that should be deposited before transactions) has been raised by 133% in August 2011. The share of short selling in total trading volume was 5% in 2011. 329 shares and 7 exchange traded funds were subject to short selling in the same period.

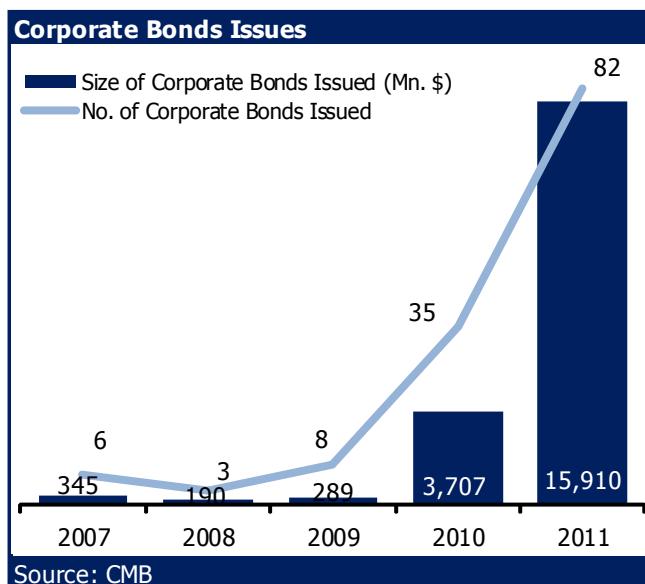


Amidst the global financial crisis, total loan size and the number of margin trading investors decreased sharply. As in other activities of brokerage firms, a recovery started from the second half of 2009. 60 brokerage firms have margin-trading customers as of end-2011. At the end of 2011, total loan size is US\$ 621 million, up by 30%. 11.000 investors borrowed for their equity transactions. Average loan size per investor was around US\$ 57,000.

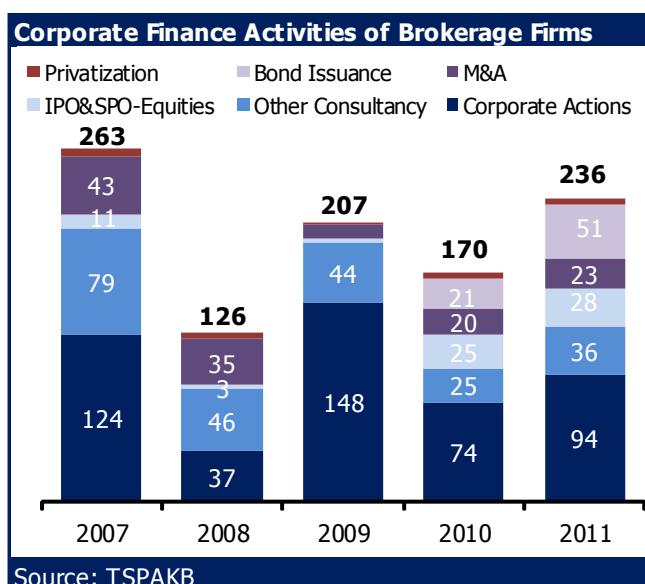
CORPORATE FINANCE



The global financial crisis limited the number of public offerings. 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 volume fell sharply by 61% in 2011. 27 IPOs took place with a size of US\$ 842 million. Out of 27 IPOs, only 4 companies were listed on the main market. 18 of them were listed on the Second National Market and 2 of them were listed on the Emerging Companies Market. In addition, 2 real estate investment trusts and 1 investment trust went public in 2011.



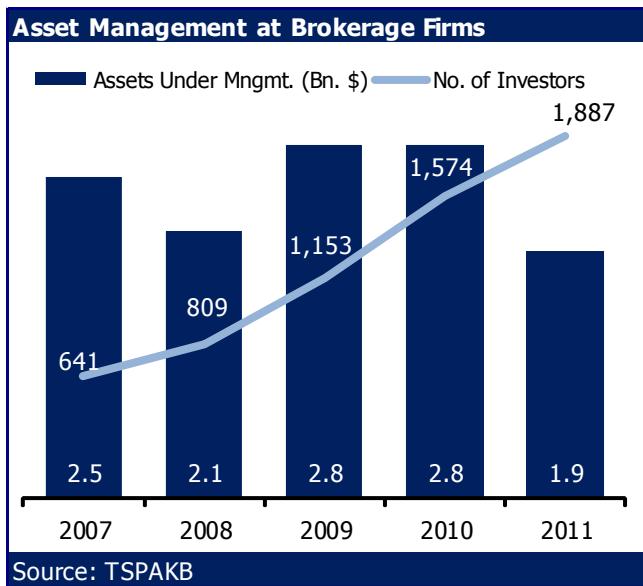
The corporate bond market was dormant for a long time. After 1994, the first corporate bond issue took place in 2005. Following the revisions in relevant regulations and a decline in interest rates, the corporate bond market almost exploded since 2010. In 2011, 82 bond issue applications were registered by the Capital Market Board with a size of US\$ 16 billion. Major issuers were banks. Meanwhile, new type of debt securities like asset backed securities and sukuk (Islamic bonds) were introduced for the first time.



Corporate finance services are provided by brokerage firms, as well as consultancy companies. This section covers only the corporate finance activities of brokerage firms. 30 brokerage firms are active in this market at the end of 2011.

In 2011, the number of finalized deals increased from 170 to 236, with the rising number of corporate actions (94 capital increases and dividend payments) and the boom in the corporate bond issuances (51). 23 M&A projects were finalized by brokerage firms, of which 11 were on the buy-side. Other consultancy deals refer mainly to valuation services.

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.

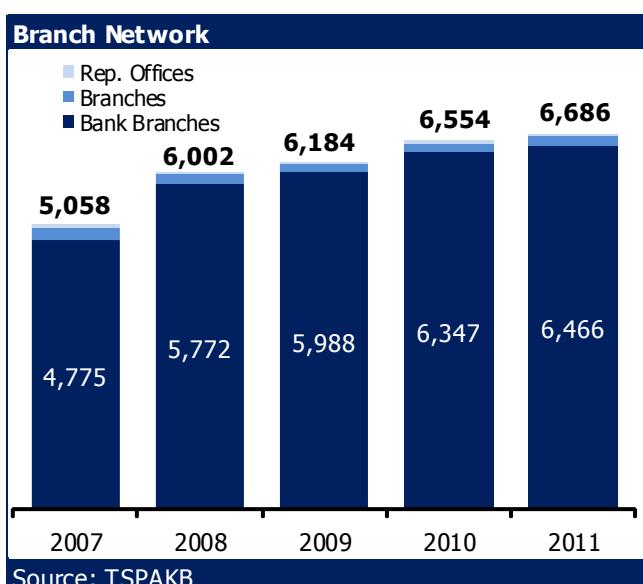
Total assets under management by professionals is around US\$ 32 billion as of end-2011.

34 brokerage firms were offering asset management services. The number of investors increased to 1,887; but assets under management shrank by 30% to US\$ 1.9 billion, as a result of the transfer of a brokerage firm's asset management business to an affiliated asset management firm. Two thirds of this portfolio belongs to fixed income funds, most of which are money market funds. 19 brokerage firms manage equity funds with a size of US\$ 140 million.



29 portfolio management companies were active in the market at the end of 2011. The number of investors at portfolio management companies increased to 1,745 in 2011, but total assets under management remained at US\$ 30 billion. 510 institutional investors and corporations own 90% of this amount.

Portfolio management companies have a 93% share in total assets under management at the end of 2011. Average portfolio for institutional investors is around US\$ 13 million in brokerage firms, versus US\$ 44 million in portfolio management companies.

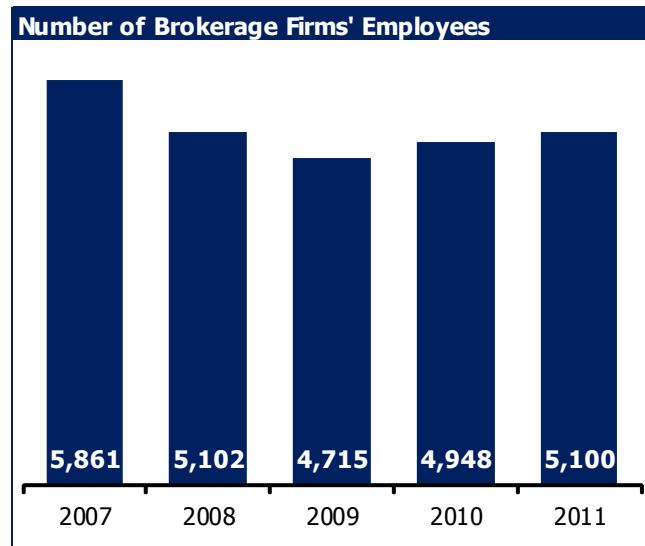


Brokerage firms may reach investors through bank branches, own branches and representative offices in addition to their headquarters.

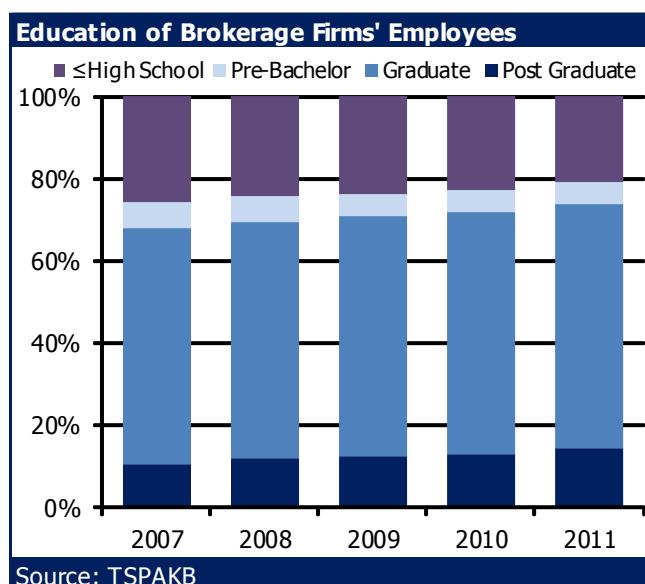
Branches and representative offices are owned and staffed by brokerage firms. Bank branches are also used as sales agents, based on agreements between the banks and the brokerage firms. At the end of 2011, 50 brokerage firms have at least one of these three types of branches.

The decline in the number of branches and representative offices accelerated during the global crisis. In 2010, the number of branches and representative offices increased for the first time since 2006. The increase continued in 2011. The number of representative offices rose to 61 in 2011, from 46 in 2010. The number of branches was stable at 159. The number of bank branches continued to increase and reached 6,466 up from 6,347 at the beginning of the year.

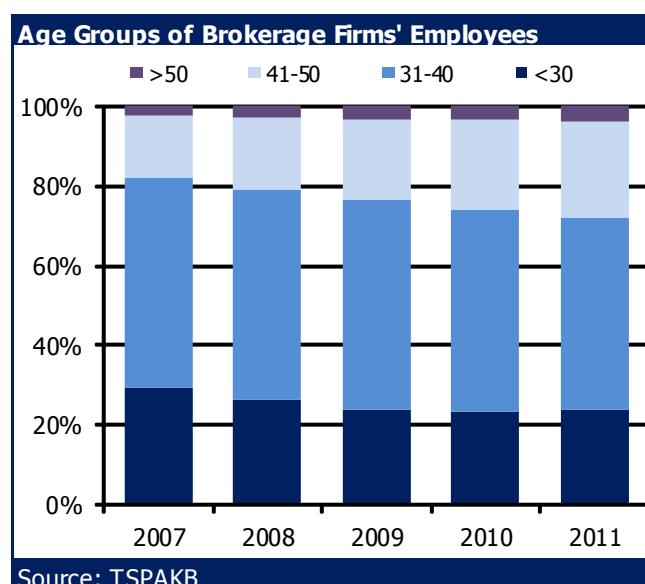
EMPLOYEES



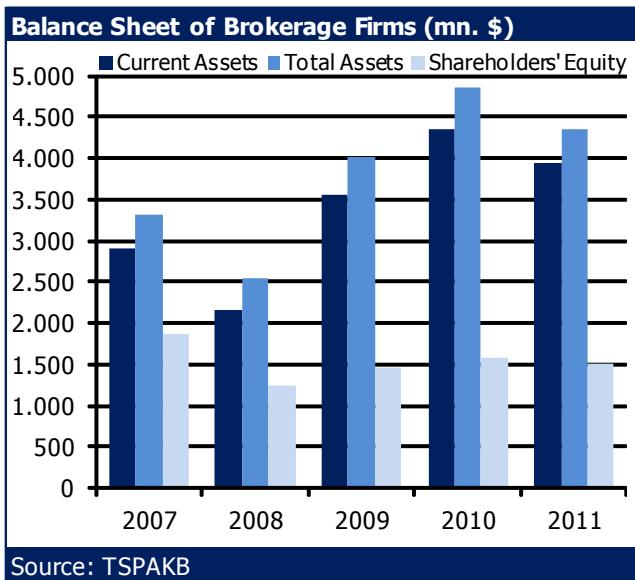
Between 2004 and 2007, brokerage firms employed around 5,900 personnel. Amidst the global crisis, brokerage firms reduced the headcount to 4,700 in two years. Thanks to the market recovery, the number of employees started to rise since 2010. As of end-2011, brokerage firms are employing 5,100 workers. The average number of employees per brokerage firm is 54. The brokerage firm with the largest number of employees, hires 408 persons.



The education level of the industry has been increasing. The share of employees that have at least a graduate diploma increased to 74% in 2011 from 68% in 2007. Moreover, post-graduate segment's weight increased by 1 point to 14% as compared to end-2010.



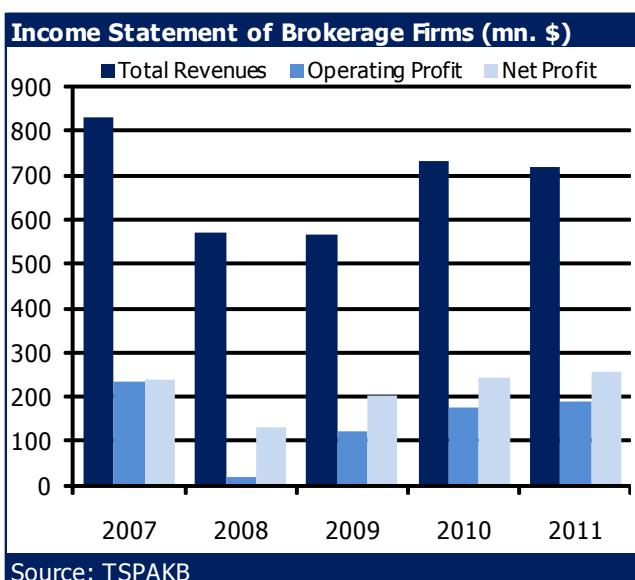
An aging trend is observed in the industry. Nearly half of the employees are aged between 31 and 40. In 2007, 15% of the employees were aged between 45 and 50, but this ratio increased to 24% as of end-2011.



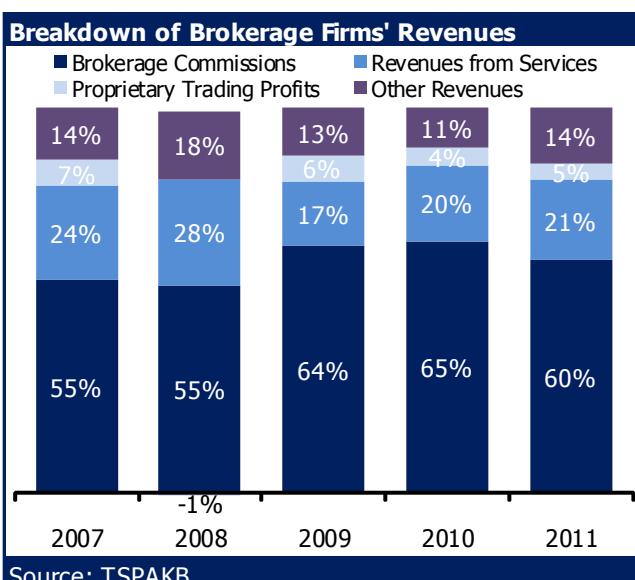
Stand-alone financial statements, prepared according to the International Financial Reporting Standards (IFRS), are collected from brokerage firms since 2008. 93 brokerage firms' data were consolidated in 2011.

At the end of 2011, brokerage firms' total assets decreased by 11% to US\$ 4 billion. The decline in the assets was a result of the rise in the USD/TL exchange rate as the asset size grew by 5% in TL terms. Asset structure continued to be quite liquid as 91% of the total assets is composed of current assets. Cash and cash equivalents form 55% of total assets.

Shareholders' equity of the industry is US\$ 1.5 billion, equaling to 34% of total liabilities. It was over 50% as of end 2007 and 2008. The decline in the equity's share is due to the rising short term debt. Short term liabilities (65%) are related to overnight borrowings and settlement dues. 2 brokerage firms, which borrowed short term from the money market and invested in longer term bank deposits, composed 82% of the overnight borrowings of the brokerage industry.



Again with the negative effect of the depreciation of the Turkish lira, brokerage firms' total revenues decreased by 2% to US\$ 716 million in 2011. On the other hand, operating profit of the industry reached US\$ 188 million with the contribution of the increase in other operating income. This increase is mainly due to one brokerage firm's sale of its building. Thus, net profits of the brokerage industry increased from US\$ 244 million in 2010 to US\$ 255 million in 2011.

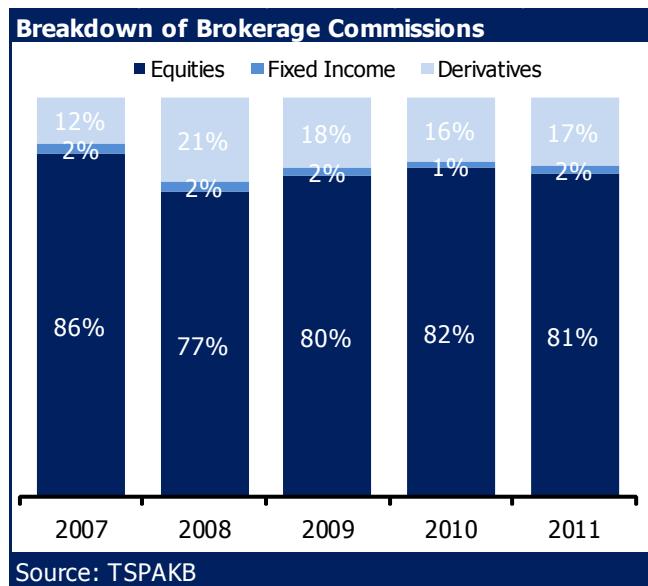


Brokerage firms generate revenues from brokerage commissions, services, proprietary trading and other operations.

Even though brokerage commissions decreased in 2011, they are still the leading revenue source of the industry. 60% of the revenues came from brokerage commissions in 2011.

Brokerage commissions are followed by revenues from services (21%), which refer to corporate finance and asset management activities. Proprietary trading profits contributed to 5% of the total revenues in the same period. Revenues from leveraged FX trading, which started in August 2011 accounted for 1%. The share of other revenues, including mainly interest income and dividends received, increased by 3 percentage points to 14%.

FINANCIAL STATEMENTS



In 2011, brokerage firms earned US\$ 433 million in brokerage commissions. The brokerage revenues declined by 9% in 2011 as a result of the decrease in equity trading commissions.

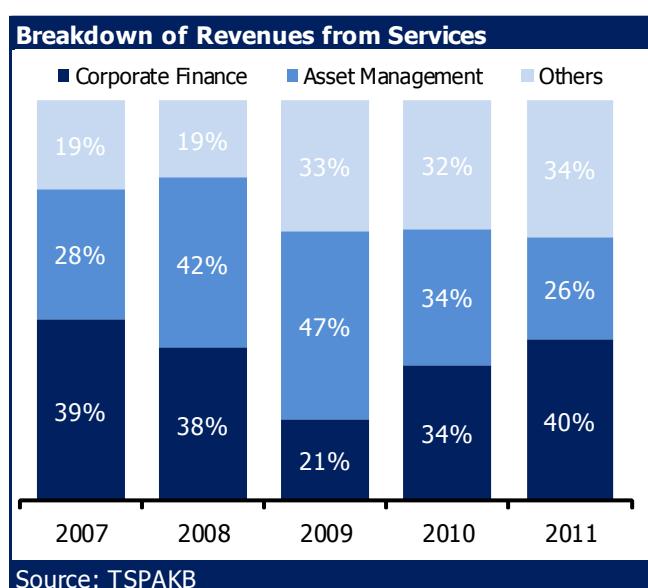
Commissions from equity trading form 81% of total commissions. While equity trading volume (US\$ 847 million) did not change compared to 2010; commissions on equity trading decreased by 11% to US\$ 350 million, which implies a slight decrease in commission rates. Effective commission rate on equity trading declined to 0.043% in 2011 compared to 0.048% in 2010. Please note that this should not be interpreted as the rate charged from the client.

Brokerage firms generated 17% of their commissions from derivatives trading. In 2011, both derivatives volume and commissions from derivatives trading declined respectively by 7% and 4% in US\$ terms. The effective commission rate on derivatives trading was 0.017%, same as in 2010.

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\$ 148 million, up by 3% compared to 2010.

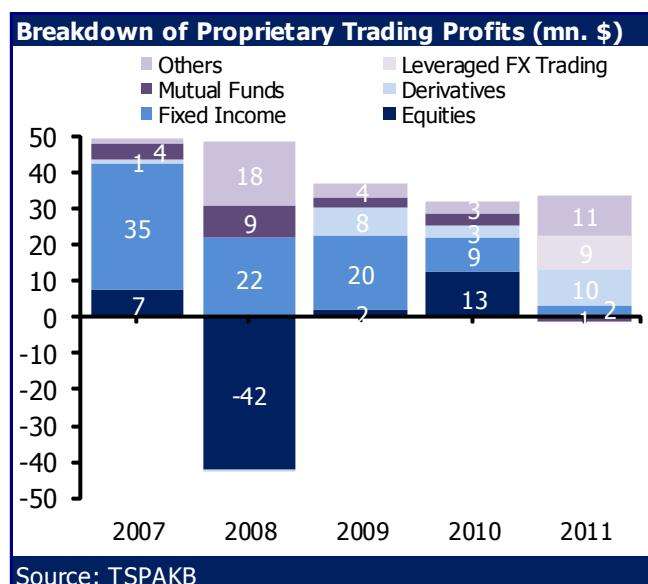
In 2011, the most considerable change occurred in the revenues from asset management activities, which decreased by 22% to US\$ 38 million. Because, total assets under brokerage firms' management declined by 30% in 2011, as a result of the transfer of a brokerage firm's asset management business to an affiliated asset management firm.

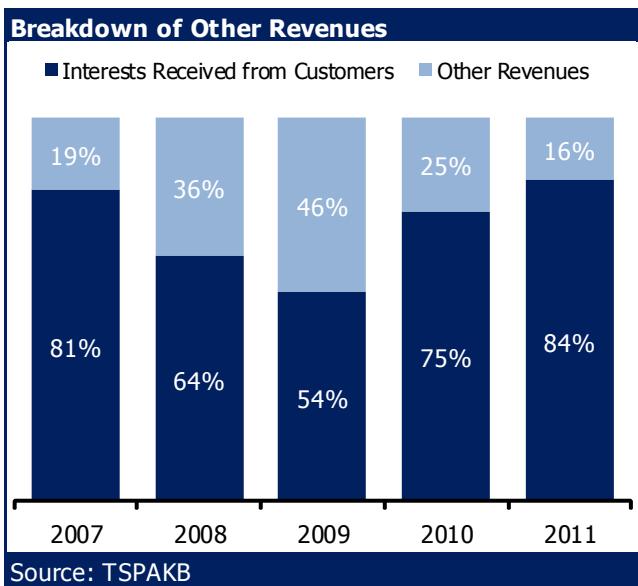
Corporate finance activities' share reached 40% with the contribution of the revenues especially from M&A deals.



Brokerage firms' proprietary trading profit stood at US\$ 33 million in 2011.

Derivative and leveraged FX trading became the major source of proprietary trading revenues. While the profit from derivatives trading has tripled to US\$10 million in the whole year, the profit from leveraged FX trading recorded US\$ 9 million in only the last four months of 2011. The profits from proprietary equity trading decreased from US\$ 13 million to US\$ 600,000, in line with the downward trend in the market.

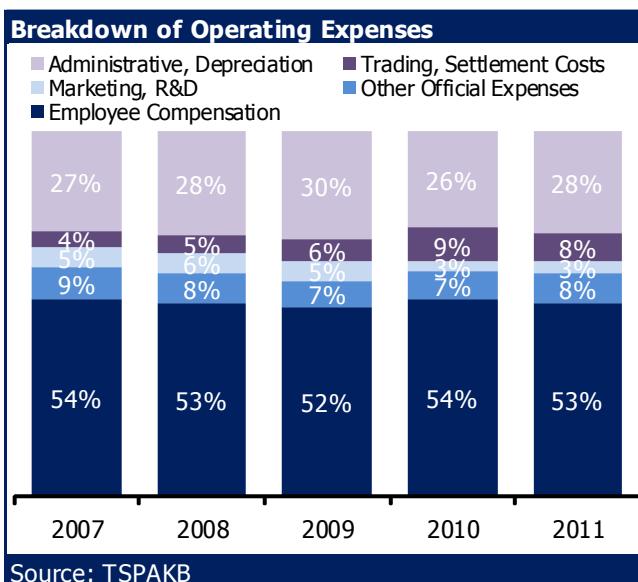




In 2011, other revenues increased by 34% to US\$ 103 million.

Interest received from customers, including margin trading and short selling, rose from US\$ 58 million in 2010 to US\$ 86 million in 2011.

Other revenues, which mainly refer to one brokerage firm's arbitrage trading profits, decreased by 10% to US\$ 17 million.



In 2010, operating expenses of the brokerage industry slightly increased by 3% to US\$ 584 million. 53% of the expenses correspond to employee compensation (including social security payments, health insurance and alike). On the other hand, the average monthly cost of an employee dropped from US\$ 5,265 in 2010, to US\$ 5,102 in 2011 with the depreciation of the Turkish lira.

Trading and settlement costs were US\$ 44 million. Administrative and depreciation expenses, which include office rents, other infrastructure expenses and depreciation, represent 28% of total expenses.

Breakdown of Brokerage Firms' Profits

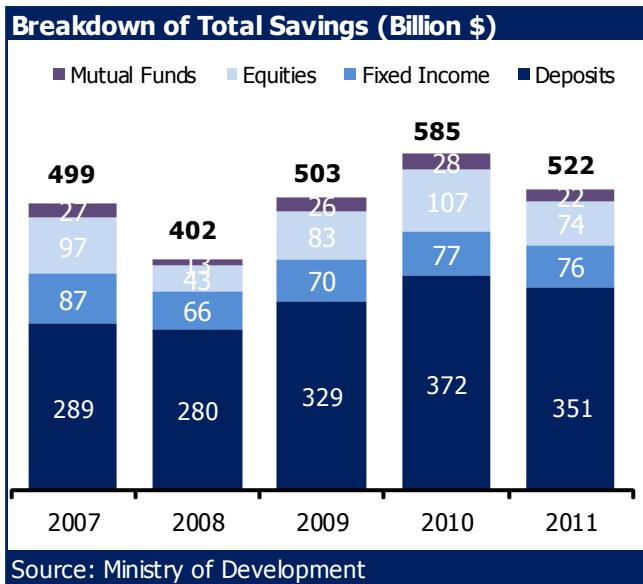
	2010	2011	Change
No. of Profit Makers	65	60	-8%
No. of Loss Makers	29	33	14%
Total Profit (Mn. \$)	260.3	274.1	5%
Total Loss (Mn. \$)	-15.9	-18.6	17%
Net Profit/Losses	244.4	255.5	5%

Source: TSPAkB

Although the brokerage firms' aggregate net profits increased by 5% in 2011, the number of profitable firms decreased and the loss makers increased.

60 brokerage firms recorded a profit of US\$ 274 million, while 33 brokerage firms posted losses of US\$ 19 million. The most profitable brokerage firms' profit was US\$ 52 million, whereas the highest loss incurred by a brokerage firm was US\$ 2 million.

INVESTORS



By the end of 2011, total savings declined by 11% and decreased to US\$ 522 billion, y-o-y. The decrease in total savings in US terms is mainly due to the depreciation of the Turkish lira. In TL terms, total savings rose by 10%. Domestic residents hold 82% of the total savings.

Bank deposits are the major component in savings. Investors hold US\$ 351 billion in bank deposits as of end of 2011.

The most significant change in 2011 took place in equities. Total savings in equities decreased from US\$ 107 billion to US\$ 74 billion as prices went down. It should be noted that 62% of the equities are held by non-residents. On the other hand, the shares of the fixed income securities and mutual funds in total savings remained unchanged, at 15% and 4% respectively.

	Number of Equity Investors (thousand)	2007	2008	2009	2010	2011
Domestic	934.1	983.3	993.3	1,035.6	1,090.1	
Individual	931.4	980.3	990.4	1,032.5	1,086.4	
Corporation	2.2	2.5	2.4	2.7	3.2	
Institutional	0.2	0.2	0.2	0.3	0.3	
Other	0.2	0.2	0.2	0.2	0.2	
Foreign	6.7	6.6	7.0	7.5	7.7	
Individual	4.0	4.2	4.1	4.3	4.5	
Corporation	1.4	0.7	0.9	1.0	1.1	
Institutional	1.3	1.6	2.1	2.2	2.1	
Other	0.0	0.0	0.0	0.0	0.0	
Total	940.8	989.9	1,000.3	1,043.1	1,097.8	

Source: CRA

The number of investors with equity holdings is approximately 1.1 million at the end of 2011. There are 55,000 new investors, 99% of them being domestic individuals.

Although the number of foreign investors continued to increase, they represent less than 1% of total investors.

	Equity Ownership mn. \$	2007	2008	2009	2010	2011
Domestic	27,020	13,205	27,292	36,309	29,966	
Individual	15,080	7,090	16,476	21,193	16,984	
Corporation	8,838	4,677	7,886	11,677	10,001	
Institutional	1,029	569	1,155	1,742	1,577	
Other	2,072	870	1,776	1,697	1,404	
Foreign	70,454	27,332	56,274	71,267	49,235	
Individual	202	87	296	264	196	
Corporation	38,619	8,565	15,913	21,583	14,399	
Institutional	31,603	18,673	40,057	49,413	34,635	
Other	30	7	8	7	5	
Total	97,474	40,537	83,566	107,576	79,201	

Source: CRA

While in 2008 the equity portfolios decreased by more than half due to the global crisis, equity values recovered and reached record levels in 2010. But in 2011, with the decline in the equity market, total equity holdings declined to US\$ 79 billion at the end of the year.

Foreign investors hold 62% of the equity portfolio, of which 44% belongs to foreign institutional investors. Foreign corporations, which include banks and brokerage firms, ranks second among foreign investors with 18%.

Although domestic investors' portfolio decreased by 17% y-o-y, their share steadily increased by 10 percentage points in the last five years to 38% at the end of 2011.



After reaching a historic high of 72% in 2007, foreign investors' share in the free-float market capitalization has been decreasing regularly. At the end of 2011, it recorded 62%.

Due to the global crisis, trading volume share of foreigners decreased significantly, from 27% in 2008 to 14% in 2009. In 2011, foreign investors generated 16% of the trading volume.

Investors in the Equity Market

	Equity Portfolio mn. \$	Inflow/Outflow	Average Gain/Loss	Average Holding Days
Foreign Investors				
2007	70,213	8,524	26,606	275
2008	27,297	-1,794	-41,122	231
2009	56,246	2,256	26,693	322
2010	71,332	3,388	11,698	351
2011	46,005	-1,148	-24,179	326
Domestic Investors				
2007	26,801	-3,272	11,393	35
2008	13,169	4,253	-17,886	37
2009	27,342	-2,045	16,219	28
2010	36,451	-573	9,682	33
2011	28,097	14,532	-22,887	36

Source: CRA, ISE, TSPAkB

At the beginning of 2011, foreign investors owned US\$ 71.3 billion of equities. During 2011, foreigners bought US\$ 863 million of equities through IPOs, and sold US\$ 2 billion through trading at the ISE, thus created an outflow of US\$ 1.1 billion. Their portfolio value would have been US\$ 70.2 billion (US\$ 71.3 billion- US\$ 1.1 billion), if the equity prices were constant. However, foreigners' portfolio declined to US\$ 46 billion at the end of the year, indicating a loss of US\$ 24 billion. On the other hand, domestic investors' loss has been US\$ 23 billion.

Average holding period is calculated by using the trading volume and average portfolio size. Foreign investors' equity holding period declined by one month to 326 days in 2011. Domestic investors' equity holding period, on the other hand, is around one month.

Age Groups of Retail Equity Investors

mn. \$	2009	2010	2011
<40	2,934	4,111	3,223
40-59	8,902	11,615	9,179
>59	4,936	5,731	4,778
Total	16,772	21,457	17,180

Source: CRA

At the end of 2011, the group between 40-59 years of age holds around 53% of the retail investors' portfolio, the same as in 2009 and 2010.

The breakdown of retail investors' portfolio indicates a high concentration among provinces. Investors, living in the first five cities (Istanbul, Ankara, Izmir, Bursa and Antalya) hold 79% of the retail equity holdings, while 60% of the retail investors are living in these cities.

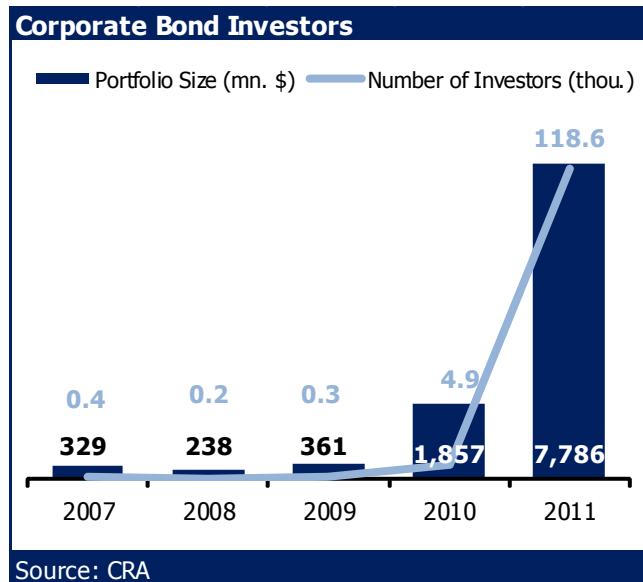
Domicile of Retail Equity Investors

mn. \$	2009	2010	2011
First 5 Cities*	5,595	13,257	16,789
Other 76 Cities	1,477	3,166	4,315
Residents Abroad	105	349	353
Total	16,772	21,457	17,180

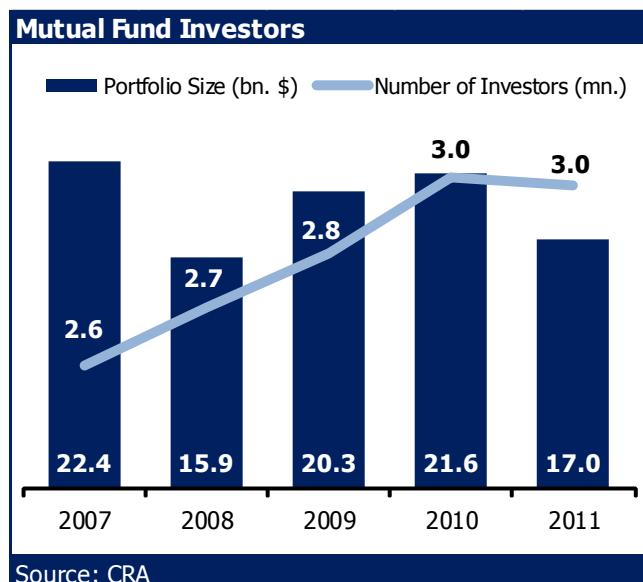
Source: CRA

*İstanbul, Ankara, İzmir, Bursa, Antalya

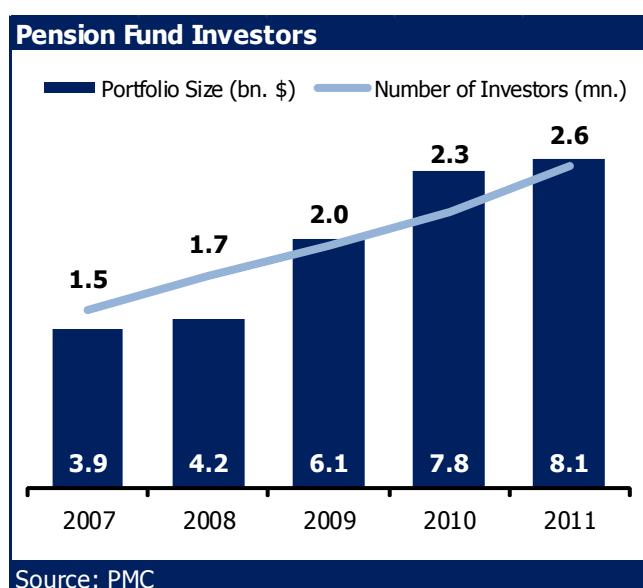
INVESTORS



Both the number of investors and the portfolio size of corporate bonds had a rapid increase in the last two years. While the number of investors reached 119,000, their portfolio size recorded nearly US\$ 8 billion at the end of 2011.



As of end-2011, the number of mutual fund investors stood at 3 million, which is almost three times the equity investors. Total size of mutual funds declined by 21% y-o-y to US\$ 17 billion, due to the depreciation of TL.



Despite the global financial crisis, pension funds market is showing a steady pace since its inception in 2003. At the end of 2011, the number of pension fund investors increased to 2.6 million, while the asset size reached US\$ 8.1 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

www.cmb.gov.tr

www.mkk.com.tr

www.iab.gov.tr

www.ise.org

www.takasbank.com.tr

www.turkdex.org.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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THE ASSOCIATION OF CAPITAL MARKET INTERMEDIARY INSTITUTIONS OF TURKEY

Buyukdere Caddesi No:173

1. Levent Plaza A Blok Kat:4

1. Levent Istanbul Turkey

Phone: +90 212 280 85 67

Fax: +90 212 280 85 89

www.tspakb.org.tr

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