

MAY 2014

Turkish Brokerage Industry 2013 Review

TURKISH BROKERAGE INDUSTRY 2013 REVIEW

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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
MCap	Market Capitalization
OTC	Over-the-Counter
PMC	Pension Monitoring Center
Takasbank	Istanbul Settlement and Custody Bank
TL	Turkish Lira
TCMA	Turkish Capital Markets Association
TurkDex	Turkish Derivatives Exchange
VIOP	Futures and Options Market
WFE	World Federation of Exchanges
Y-t-d	Year-to-Date

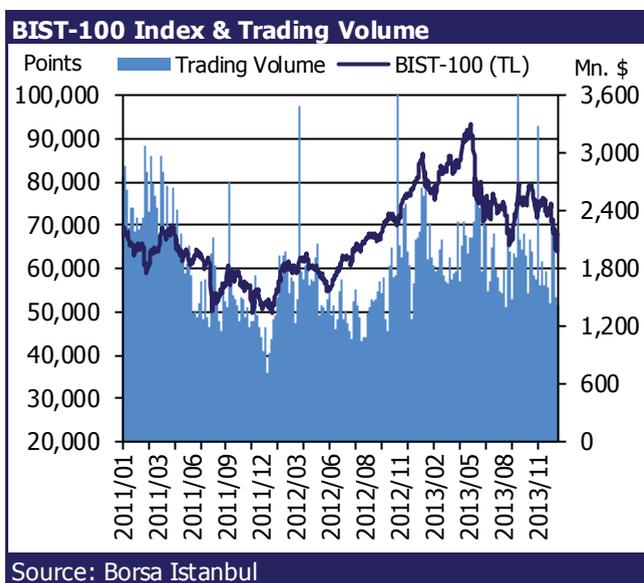
Market Returns	1
Equity Market	2
Debt Securities Market.....	3
Repo Market	4
Futures Market	5
Lending, Borrowing & Margin Trading	6
Corporate Finance	7
Asset Management & Branch Network.....	8
Employees	9
Financial Statements	10
Investors	13
Capital Market Institutions	16

MARKET RETURNS



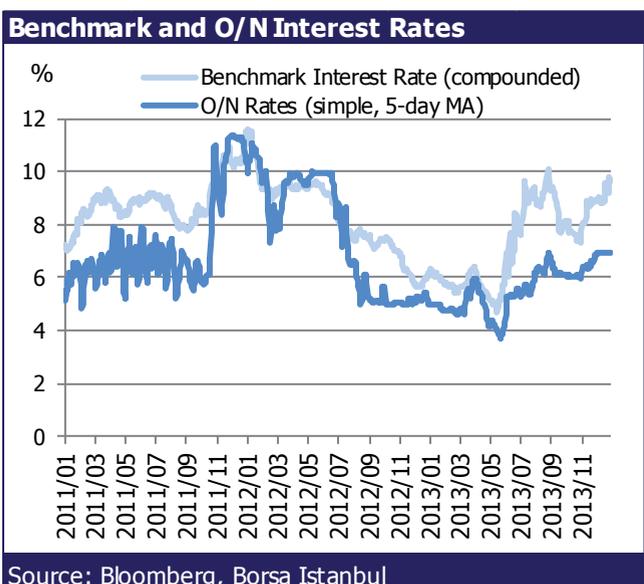
Moderate growth expectations in developed countries coupled with fading sovereign debt problems in the European Union moved the markets in 2013.

The impact of FED tapering on liquidity resulted in capital outflows from emerging countries to developed countries in the second half of 2013. In addition, the political unrest in Turkey, that has governed the second half of 2013, had a negative impact on the economy. Consequently, BIST-100 index decreased by 28% in US\$ terms which is the second largest drop after Peru.



After hitting its all-time high level in May, BIST-100 index ended the year 2013 at 67.800 points with a 13% loss in TL terms. In US\$ terms, BIST-100 index decreased by 28% due to the depreciation of the Turkish lira.

While the index declined, the average daily trading volume went up by 18% to US\$ 1.3 billion in 2013 from US\$ 1.1 billion in 2012.



After rising above the 10% mark by the end of 2011 with the Central Bank's tighter monetary policy, the benchmark interest rates started to decline in 2012. The downward trend in benchmark interest rates continued in 2013, parallel to CBRT's policy aiming at financial stability amidst rising global capital inflows. In May 2013, the benchmark interest rates went down to 5%. However, in the second half of the year they increased sharply back to 10% due to the Fed tapering and the rise in domestic inflation which went up from 6% to 7.5% throughout 2013. The turmoil caused by the demonstrations throughout the country also impacted on the increase of benchmark interest rates.

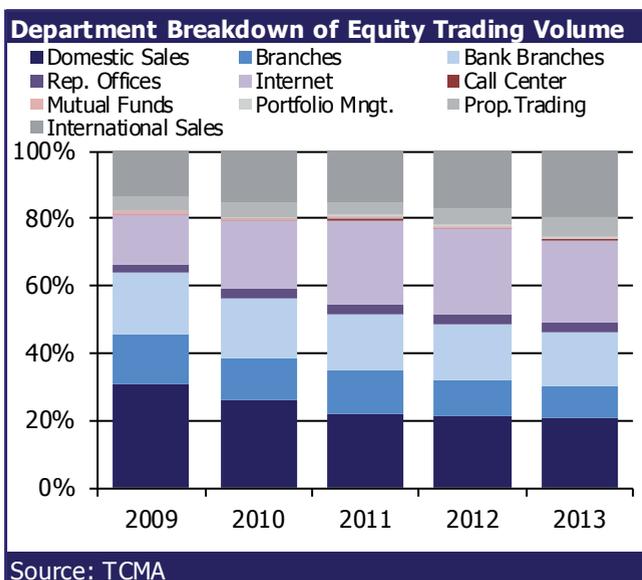


In 2013, equity trading volume increased by 23% in US\$ terms (31% in TL terms). 87 brokerage firms traded in the equity market. First 5 brokerage firms' share in total volume increased slightly by 1 percentage point to 31%.



Domestic investors generated 80% of the total equity trading in 2013. Domestic individuals continued to drive the equity market with a 59% share. On the other hand, these investors held around only 19% of the free float as of end-2013. Volume share of domestic corporations increased by 2 percentage points to 12% and institutional investors by 1 percentage point to 10%.

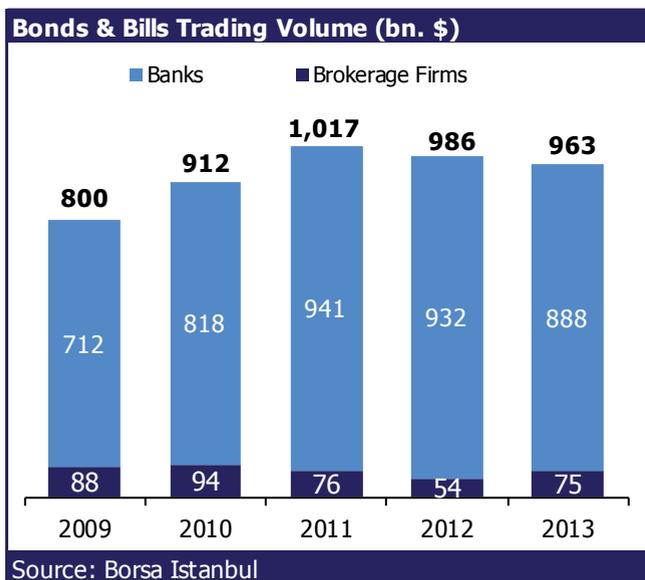
In terms of trading volume, foreign investors' share peaked above 30% in May 2008. However, with the worsening financial crisis, this figure retreated to around 15% in 2009. The share of foreign investors has slightly recovered since then and increased to 20% in 2013. Foreign corporations, which mainly refers to foreign banks and brokerage firms, generated 16% of the trading volume. In 2013 foreign institutional investors, which hold around 45% of the free float, had only 4% share in total turnover. More detailed information regarding foreign investors is provided in the "Investors" section.



Department breakdown of the trading volume indicates the channels through which trading is carried out. Domestic sales refers to the headquarters of the brokerage firms. Branches are owned by the brokerage firms. Bank branches indicate the order flow from banks. Mutual funds are included in the institutional investors group and proprietary trading is included in corporations in the previous investor breakdown section.

The share of internet trading, which represents the largest channel of equity trading, hit an all-time high of 25% in 2012. This figure went slightly down by 1 percentage point to 24% in 2013. Domestic sales department generated 20% of the total turnover in 2013, down from 21% in 2012. Branches and bank branches generated 29% of the trading volume, indicating a slight decrease of 1 percentage point.

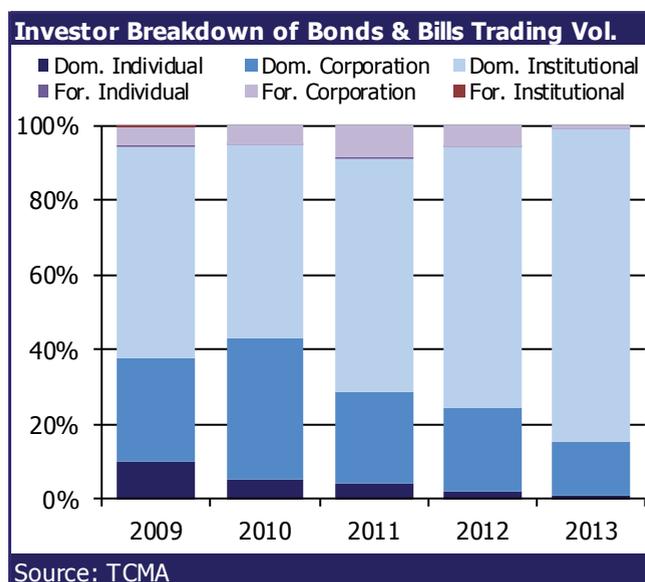
DEBT SECURITIES MARKET



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 Borsa Istanbul and OTC markets. Although the corporate bond market revived recently, trading volume of corporate bonds represent only 3% of the 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 2013, bonds trading volume of intermediaries decreased by 2% to US\$ 963 billion. The share of OTC transactions remained at %59 in 2013.

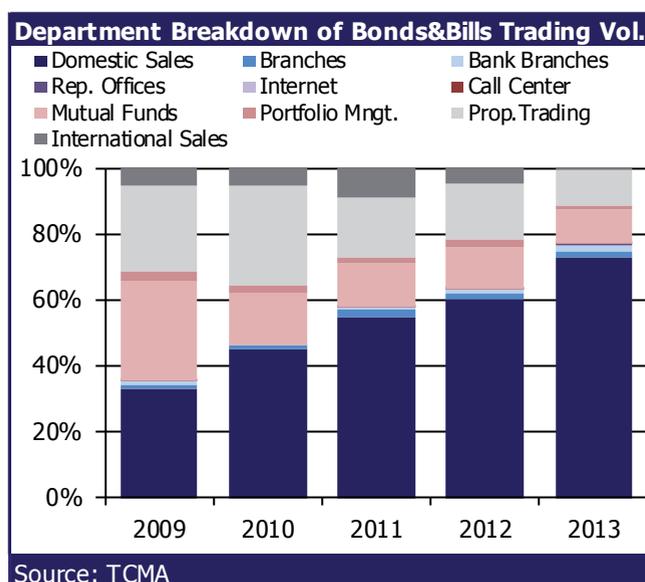
68 brokerage firms and 38 banks traded bonds and bills in 2013. First 5 of them generated over half of the total volume. The share of brokerage firms in the bonds and bills market increased by 1 percentage point to 7% in 2013.



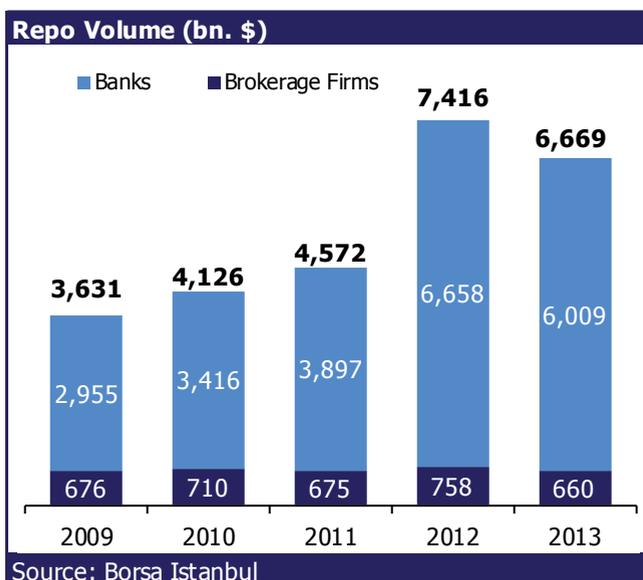
The breakdown of trading volume, in terms of departments and investor categories, includes the brokerage firms' figures only.

99% 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 generated 84% of total trading volume. Domestic corporations, mainly reflecting the proprietary trading of brokerage firms, created 14% of bonds trading volume.

The share of foreign investors' bonds and bills trading has decreased by 5 percentage points to 1% in 2013. Only one brokerage firm generated 82% of foreign investors' trading volume. Foreign investors prefer to use banks rather than brokerage firms to trade in the bonds and bills market.

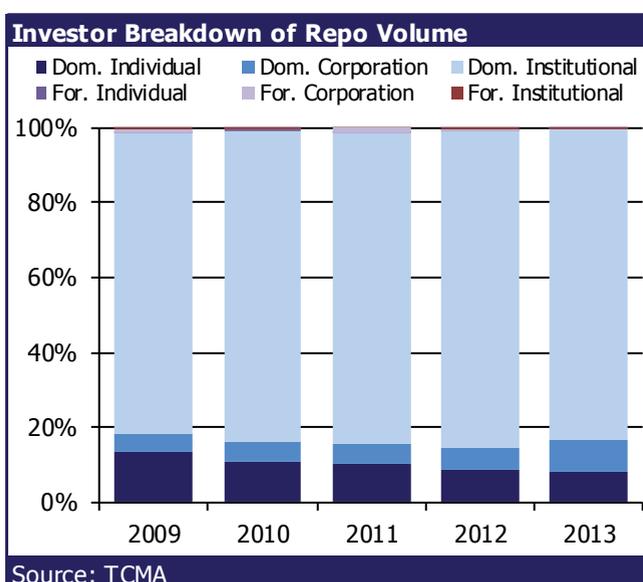


Domestic sales, mutual funds and proprietary trading cover 94% of the trading volume. The share of domestic sales department increased by 12 percentage points to 73% in 2013. On the other hand, the share of proprietary trading went down by 6 percentage points to 11% in the same period. Discretionary portfolio management clients and mutual funds that are managed by brokerage firms generated 11% of the trading volume. The share of international sales department went down by 4% to 0% in 2013. A brokerage firm, which generated almost all of the trading volume of international sales in 2012, did not do any transactions through international sales department during 2013.



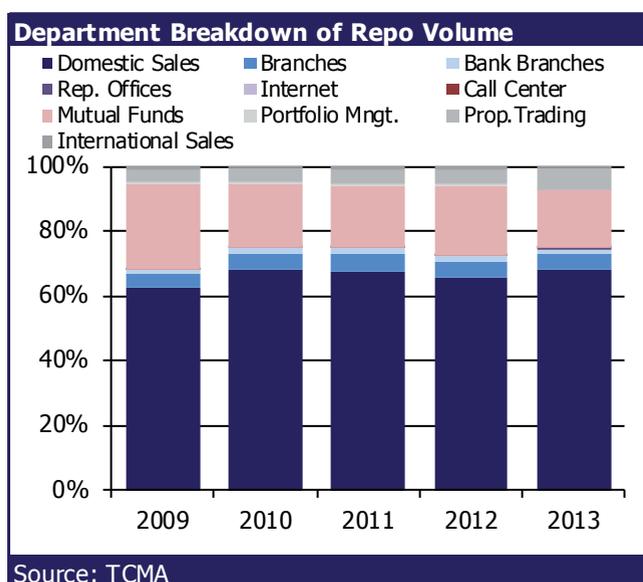
Total repo trading volume decreased by 10% to US\$ 6.7 trillion in 2013. These transactions also include OTC transactions. OTC market's share represent 5% of total volume.

45 brokerage firms and 37 banks traded in the repo market in 2013. First 5 intermediaries generated 60% of repo transactions in 2013. Similar to bonds and bills market, banks dominate the repo market. Although the repo trading volume of brokerage firms decreased by 13% to US\$ 660 million in 2013, their share in total repo transactions remained unchanged around 10%.



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.

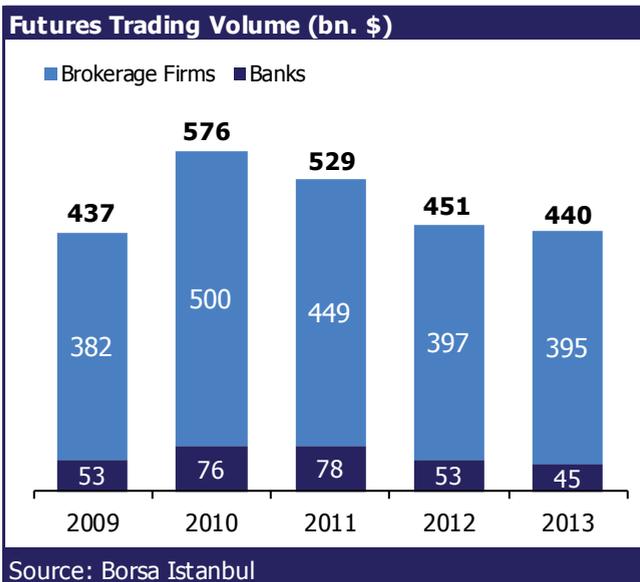
Domestic investors generate almost the entire repo trading volume of brokerage firms. Domestic institutional investors, which mainly represent the money market mutual funds managed by brokerage firms or their affiliated portfolio management companies, are the major investor group with a share of 83%. Three brokerage firms generated 68% of the domestic institutional investors' repo volume. Foreign investors' repo trading through brokerage firms is negligible with a share less than 1%.



A considerable amount of repo trading was done through domestic sales department (68%) and by mutual funds (18%). Propriety trading represents 7% of brokerage firms' total repo transactions.

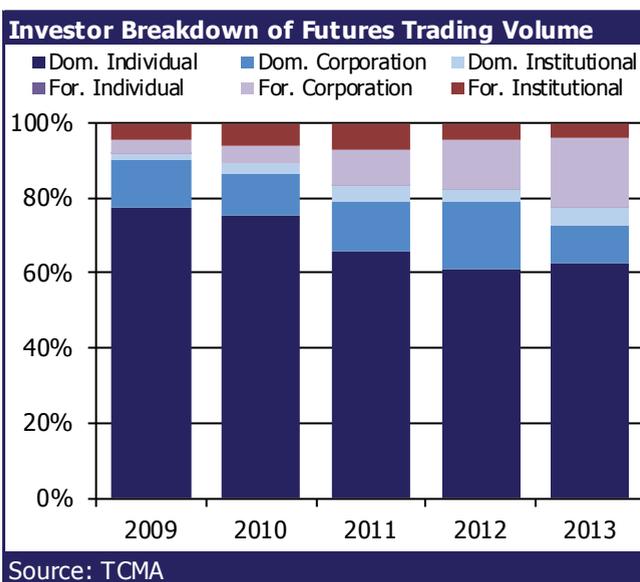
Concentration in repo transactions among brokerage firms is relatively high. A single brokerage firm generated 33% of total brokerage firms' volume.

FUTURES MARKET

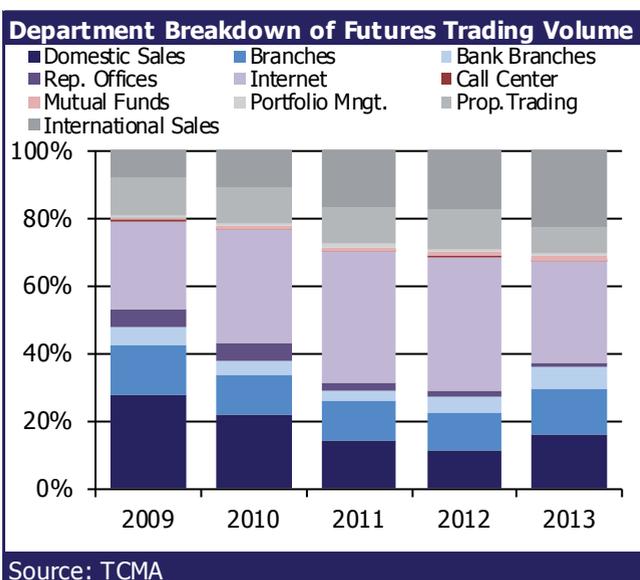


Since the merger of the Turkish Derivatives Exchange (TurkDex) and Borsa Istanbul on August 5, 2013, all futures and options contracts in Turkey are traded on a single platform under Borsa Istanbul Futures and Options Market (VIOP). Options have been traded in Turkey since December 2012. Although options are included in this report, their traded value constituted only a small fraction (0.002%) of the total derivatives' volume. On Borsa Istanbul Futures and Options Market, brokerage firms and banks are authorized to trade. The trading volume on Borsa Istanbul Futures and Options Market decreased by 2% to US\$ 440 billion in 2013.

74 brokerage firms and 11 banks traded in this market in 2013. Contrary to the fixed income market, brokerage firms dominate the market with a 90% trading share. Banks' market share has been slightly declining since 2011. It is worth mentioning that banks are not permitted to trade in equity-based contracts. First 10 institutions (9 brokerage firms and 1 bank) generated 54% of total futures trading volume in 2013.



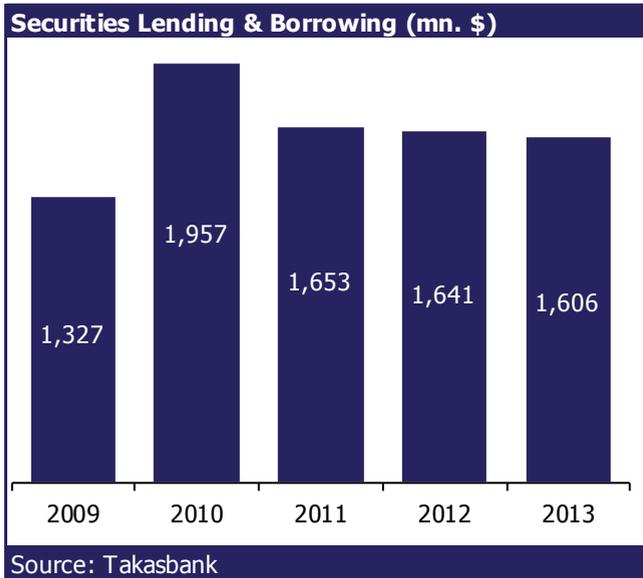
The breakdown of the futures trading volume includes the brokerage firms only. The share of domestic individual investors decreased regularly from 2009 to 2012. But in 2013, their share rose by 2 percentage points to 63%. Still, trading volume is driven by domestic individuals in the futures market, as well as in the equity market. Domestic corporations' (mainly reflecting the proprietary trading of brokerage firms) market share drastically decreased by 8 percentage points to 10% due to the decrease in trading volume of two brokerage firms. Domestic institutional investors' share is quite limited at 4%. Foreign investors' share in the trading volume increased to an all-time high of 23% in 2013. This is the first time since 2007 that the share of foreign investors exceeded 20%. At the same time, concentration in foreign investors' futures trading volume is high. Four brokerage firms generated 69% of the foreign investors' futures trading volume.



Although the share of internet transactions decreased by 10 percentage points in 2013 to 30%, the internet is undoubtedly the most popular channel of trading in the futures market.

The domestic sales department, representing the headquarters of brokerage firms, generated 16% of the futures trading volume, which was 11% in 2012. In 2013, 21% of futures transactions have been done through brokerage firms' branches, representative offices and bank branches. Their share increased by 3 percentage points in 2013. 8% of total volume was produced by the brokerage firm's proprietary trading, compared to 12% in 2012.

LENDING, BORROWING, & MARGIN TRADING



Takasbank operates the Securities Lending and Borrowing Market. In 2013, 258 securities were subject to borrowing and lending transactions. The volume of these transactions declined slightly by 2% to US\$ 1.6 billion in 2013.



The short selling transactions were on a downward trend between 2010 and 2012. Short selling volume decreased by 17% to US\$ 19 billion in 2012 due to the CMB's measures to limit the short selling operations.

In February 2013, the uptick rule was abolished by CMB. As a result, short selling volume increased by 158% to US\$ 49 billion.

The share of short selling in total trading volume rose by 6 percentage points to 11% in 2013.



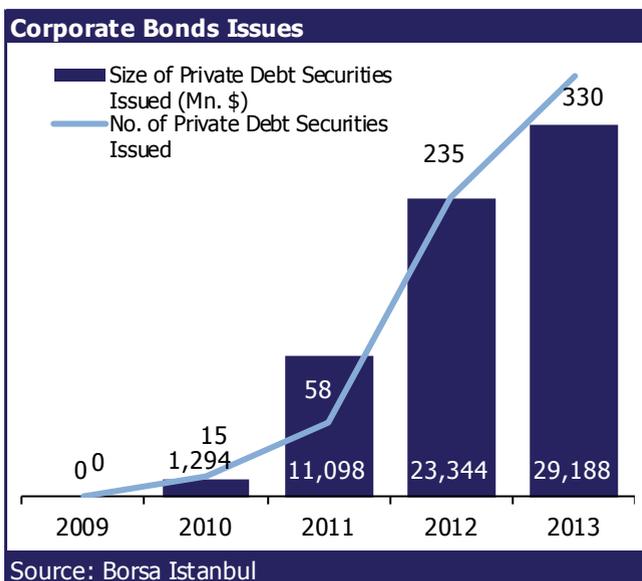
Since the global financial crisis, total loan size and the number of margin trading investors have been recovering gradually. The total loan size increased by 28% in 2013 to US\$ 764 million, although the number of margin trading investors went down by 9% in the same year. 60 brokerage firms have margin-trading customers as of end-2013. 10,400 investors borrowed for their equity transactions. Average loan size per investor is around US\$ 73,400.



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 continued in terms of numbers, but the values fell sharply in 2011 and 2012.

In 2013, 19 IPOs took place with a size of US\$ 758 million. The average IPO size increased to US\$ 40 million in 2013 from US\$ 12 million in 2012.

Out of 19 IPOs, 9 companies were listed on the Emerging Companies Market and 3 companies were listed on the Second National Market. Both markets are intended for small and medium sized enterprises (SMEs). In addition, Emlak Konut's (a real estate trust) secondary public offering took place in November 2013. The total issue size was US\$ 1.6 billion.

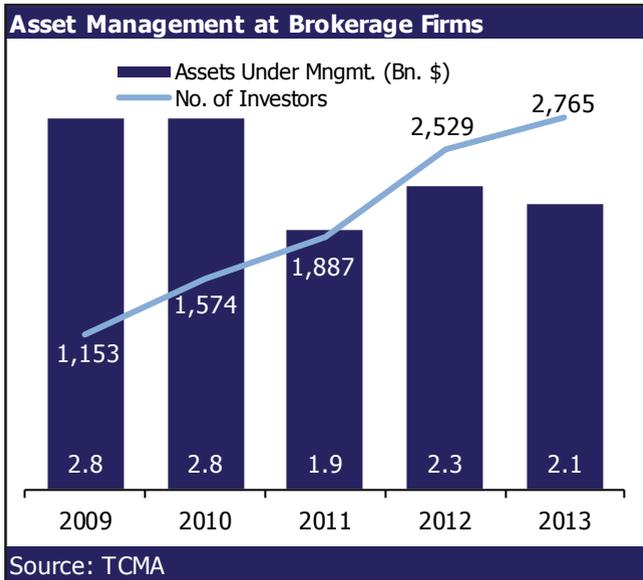


Following the revisions in relevant regulations to revive the market, coupled with a downward trend in interest rates, the corporate bond market almost exploded since 2010. In 2013, 330 bonds were issued with a size of US\$ 29 billion where major issuers were banks. The corporate finance services for 282 bond issues were provided by brokerage firms while 48 bond offerings were managed by banks.



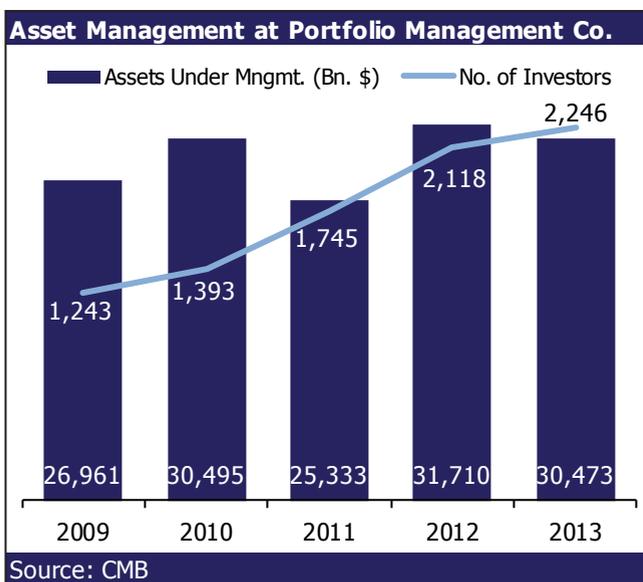
Corporate finance services are provided by brokerage firms, as well as consultancy companies. This section covers only the corporate finance activities of brokerage firms. 31 brokerage firms were active in this market in 2013.

In 2013, the number of finalized transactions increased to 409 from 387 with the rising number of corporate actions (34 capital increases and dividend payments) and the boom in the corporate bond issuances (284). 21 M&A projects were finalized by brokerage firms, of which 7 were buy-side. Other consultancy deals were mainly valuation services.



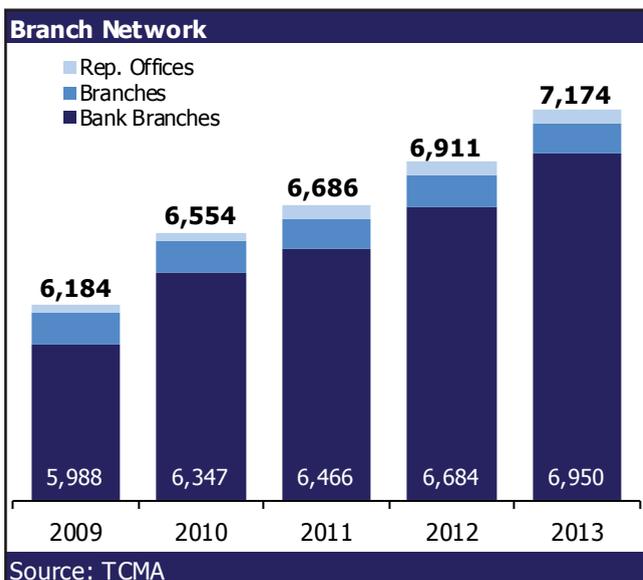
Asset management services are provided by portfolio management firms and brokerage firms. The data for portfolio management firms has been gathered by the Capital Markets Board. Total assets under management by professionals is around US\$ 33 billion as of end-2013.

36 brokerage firms were offering asset management services as of end-2013. The number of investors increased to 2,765 and the assets under management went down by 9% to US\$ 2.1 billion. Although the value of assets increased by 13% in TL terms, it indicated a loss in US\$ terms due to the depreciation of the Turkish lira. Two thirds of this portfolio belongs to fixed income funds, most of which are money market funds. 18 brokerage firms manage equity funds with US\$ 162 million portfolio. The rest of the assets under management (US\$ 586 million) belongs to discretionary portfolio management clients.



36 portfolio management companies were active in this market as of end-2013. Although the number of investors at portfolio management companies increased to 2,246 in 2013, total assets under management shrank by 6% to US\$ 30 billion as a result of strong appreciation of US\$ against the Turkish lira. In TL terms, total assets under management increased by 15%. 89% of the total assets under management belonged to 604 institutional investors and corporations.

Average portfolio for institutional investors is around US\$ 13.5 million in brokerage firms, versus US\$ 45 million in portfolio management companies.

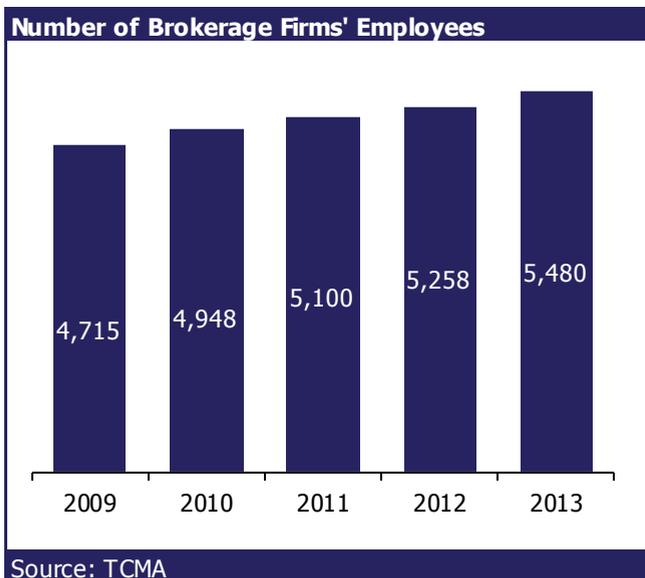


Brokerage firms reach investors through bank branches, their own branches and representative offices in addition to their headquarters.

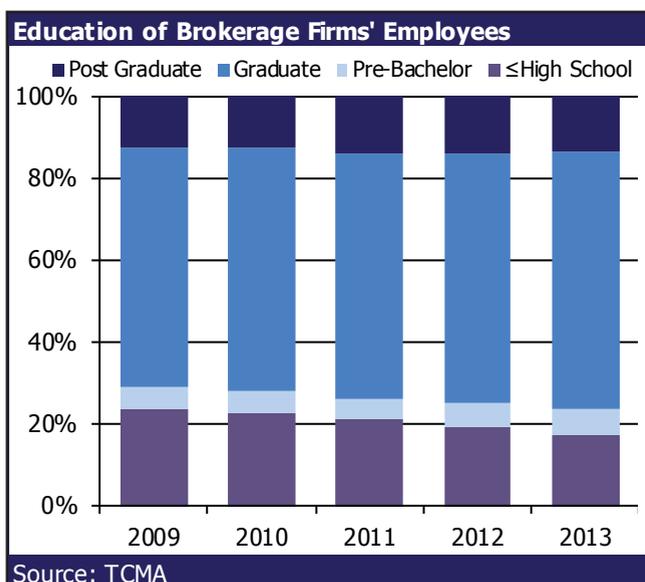
Branches and representative offices are owned and staffed by brokerage firms. Bank branches are also used as sales agents, based on agreements between the banks and the brokerage firms. As end of 2013, 54 brokerage firms have at least one of the three types of branches.

The number of branches and representative offices was negatively affected by the global crisis. Since 2010, this number has been gradually recovering. The number of representative offices rose to 71 in 2013, from 66 in 2012. The number of branches slightly decreased to 153. The number of bank branches reached 6,950, which indicated an increase of 4% compared to the beginning of the year.

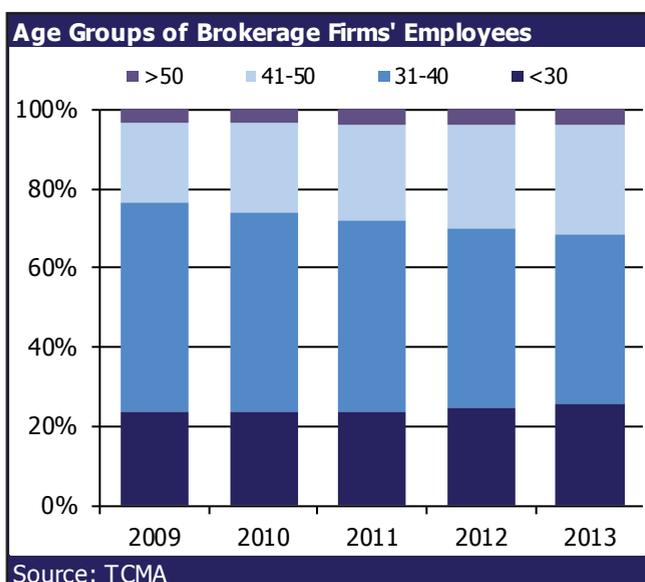
EMPLOYEES



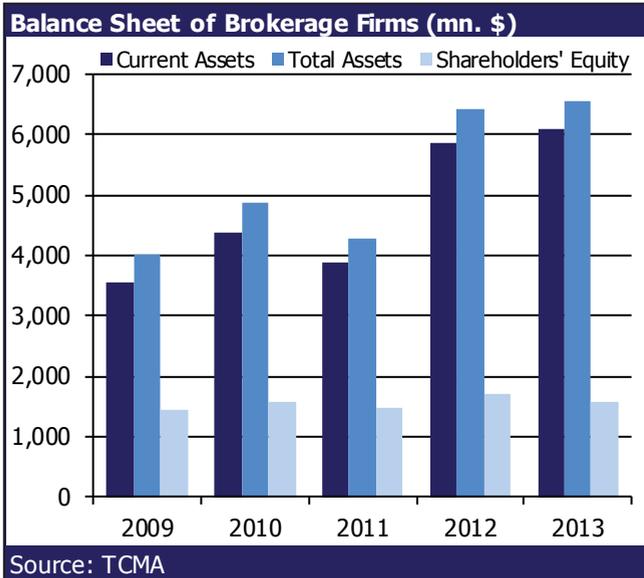
Between 2004 and 2007, brokerage firms employed around 5,900 personnel. Throughout the global crisis, brokerage firms reduced the headcount to 4,700 in two years. Nevertheless, employment has been recovering since 2010. As of end-2013, brokerage firms are employing 5,480 professionals, up from 5,258 at the end of 2012. The increase in the number of employees is mainly due to the forex companies, which are expanding their operations. The average number of employees for a brokerage firm is 54.



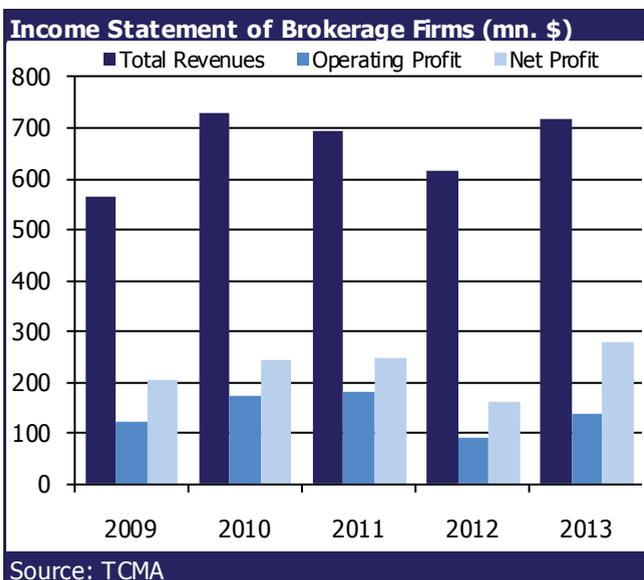
The education level of the industry has been increasing. The share of employees that have at least a graduate diploma increased to 76% in 2013 from 71% in 2009. Moreover, post-graduate segments' weight increased to 13.5% as compared to %12.5 at the end of 2009.



An aging trend is observed in the industry. In 2009, 23% of the employees were aged above 40, while this ratio increased to 32% as of end-2013. 42% of the employees are aged between 31 and 40.

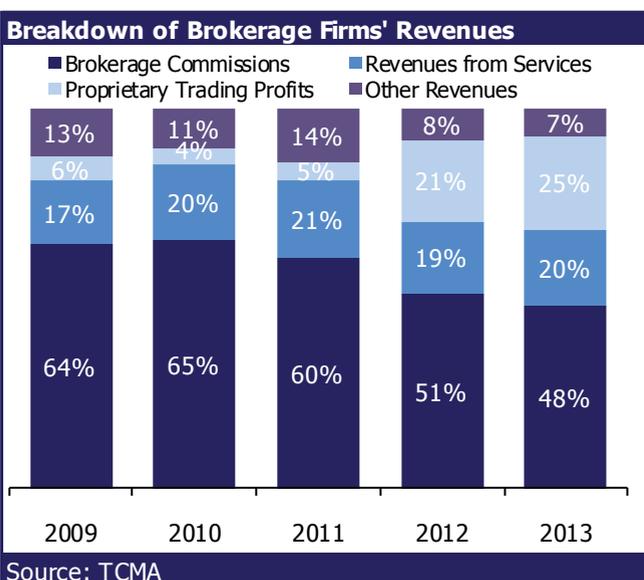


95 brokerage firms' stand-alone financial statements, prepared according to the International Financial Reporting Standards (IFRS) were collected in 2013. At the end of 2013, brokerage firms' total assets increased by 3% to US\$ 6.5 billion. The increase in TL terms stands at 23%. Total assets were merely US\$ 3.6 billion in 2009. Asset structure continued to be quite liquid as 93% of the total assets is composed of current assets. Cash and cash equivalents form 56% of total assets. Shareholders' equity of the industry is US\$ 1.6 billion, equaling to 24% of total liabilities. This ratio was over 36% as of end 2009. The decline in the equity's share is due to the rising short term debt. Short term liabilities (76%) are related to overnight borrowings and settlement dues. 2 brokerage firms account for 85% of the overnight borrowings of the brokerage industry. Financial table details of these brokerage firms suggest that, they borrow short term from money market and invest mainly in FX deposits, derivatives and leveraged FX trading. In fact, this is the main reason behind the sharp growth of the balance sheet of the brokerage firm industry in the last five years.



As of end 2013, brokerage firms' total revenues increased by 17% to US\$ 719 million. Commission revenues and proprietary trading profits, which increased by 16% and 36% respectively, positively affected the sector's top-line. As a result, operating profits of the industry increased by 49% to US\$ 139 million.

The net profits increased to US\$ 278 million in 2013 from US\$ 162 million in 2012. The net profit of the industry was boosted by the sale of one brokerage firm's subsidiaries (US\$ 121 million).

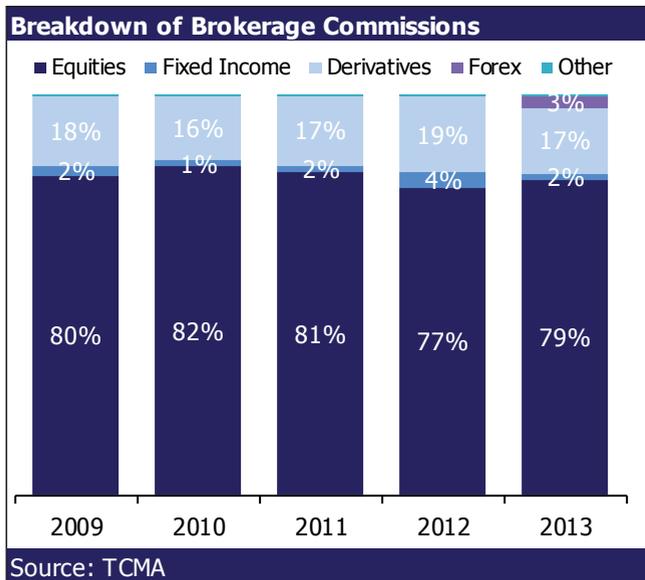


Brokerage firms generate revenues from brokerage commissions, services, proprietary trading and other operations.

Brokerage commissions increased by 16% to US\$ 352 million in 2013. 48% of the revenues came from brokerage commissions in 2013, down from 51% a year ago.

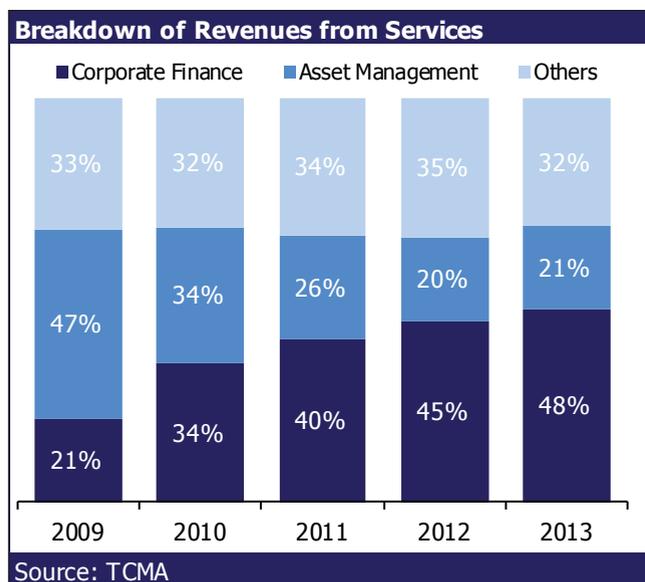
Brokerage commissions are followed by proprietary trading profits which surged by 36% to reach US\$181 million in 2013. The rise in the profits from leveraged FX trading supported the proprietary trading profits.

Revenues from services, which refer to corporate finance and asset management activities represent one-fifth of total revenue. The share of other revenues, including mainly interest income and dividends received, decreased by 1 percentage point to 7%.



Brokerage firms earned US\$ 352 million in brokerage commissions. In 2013, total commission revenues increased by 10%, on the back of rising equity trading volume.

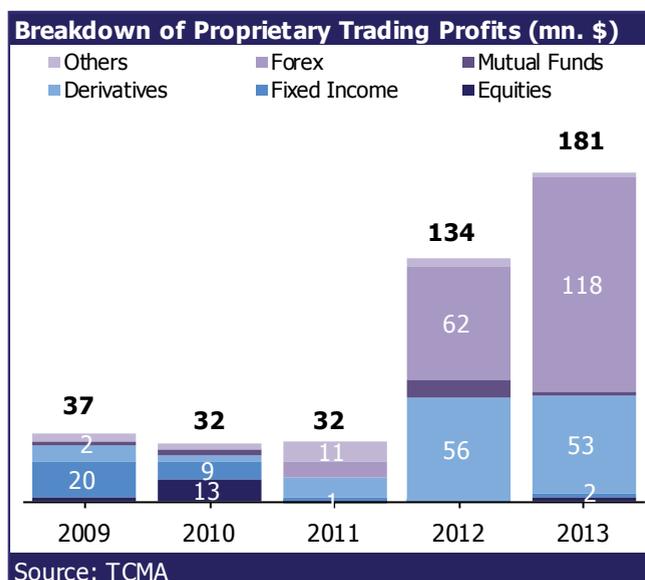
Commissions on equity trading form 79% of total commissions. Equity trading volume increased by 23% in 2013. Meanwhile, commissions on equity trading improved by only 12% to US\$ 278 million. Effective commission rate on equity trading is calculated by the net amount left to the brokerage firm, excluding rebates to clients and revenue sharing with the sales agents. As of end 2013, the effective commission rate declined to 0.035% compared to 0.038% a year ago. It was 0.050% as of end 2009. 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. Commissions from derivatives trading decreased by 4% in US\$ terms. The effective commission rate for those transactions was 0.016% in 2013, compared to 0.017% in 2012.



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. Service revenues recorded US\$ 147 million, up 24% as compared to 2012.

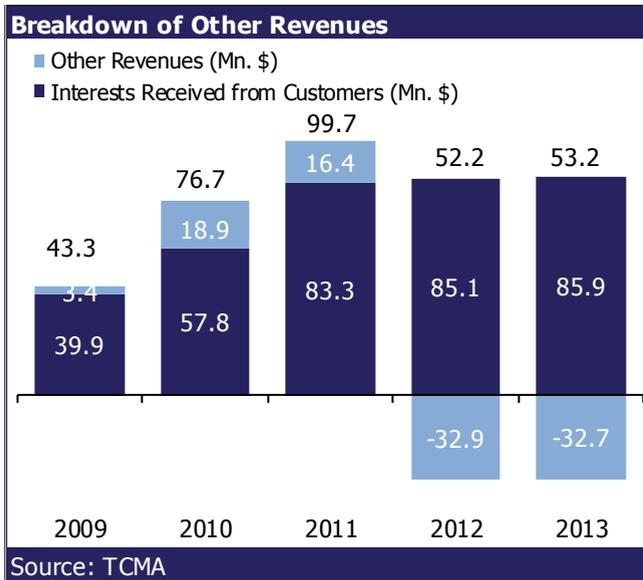
Total assets under brokerage firms' management went down by 9% in US\$ terms in 2013. On the other hand, revenues from asset management increased by 24% to US\$ 30 million. The increase in revenues is due to one brokerage firms' earnings. This firm is mainly marketing foreign funds to its customers.

Corporate finance activities' share reached 48% of revenues from services with the contribution of the revenues from public offerings. Brokerage firms earned US\$ 42 million on public offerings.

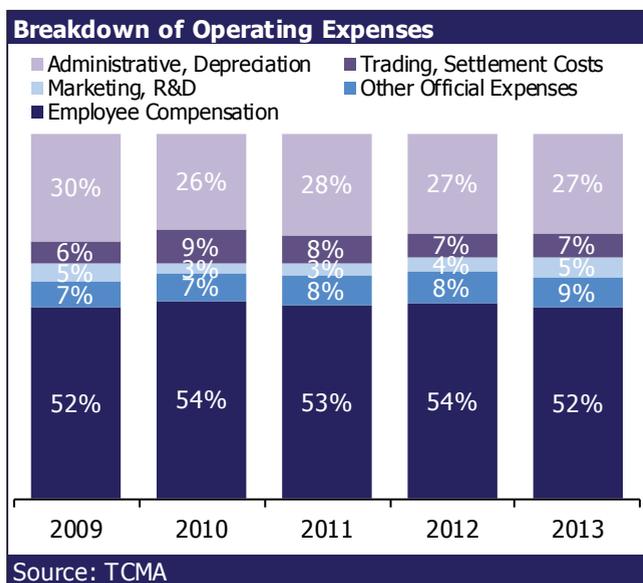


Brokerage firms' proprietary trading profits reached US\$ 181 million in 2013, up from US\$ 134 million in the previous year.

Leveraged FX trading became the major source of proprietary trading revenues. The profits from leveraged FX trading recorded US\$ 118 million in 2013. Leveraged FX transactions are followed by derivatives trading profit, which is US\$ 53 million in 2013. This amount was mainly generated by a single brokerage firm.



Interests received from customers, including margin trading and short selling was around US\$ 86 billion as of end 2013. Due to one brokerage firms' proprietary trading net interest expense, other revenues totaled US\$53 million in 2013.



In 2013, operating expenses of the brokerage industry increased by 11% to US\$ 631 million. 52% of the expenses correspond to employee compensation (including social security payments, health insurance and alike). The average monthly cost of an employee slightly improved to US\$ 5,098 in 2013, from US\$ 4,978 in 2012.

Trading and settlement costs increased by 8% to US\$ 41 million in 2013 with the rise of trading volumes. Administrative and depreciation expenses, which include office rents, other infrastructure expenses and depreciation, represent 27% of total expenses.

Breakdown of Brokerage Firms' Profits

	2012	2013	Change
No. of Profit Makers	51	54	6%
No. of Loss Makers	46	41	-11%
Total Profit (Mn. \$)	191.2	307.6	61%
Total Loss (Mn. \$)	-29.4	-29.8	1%
Net Profit/Losses	161.8	277.8	72%

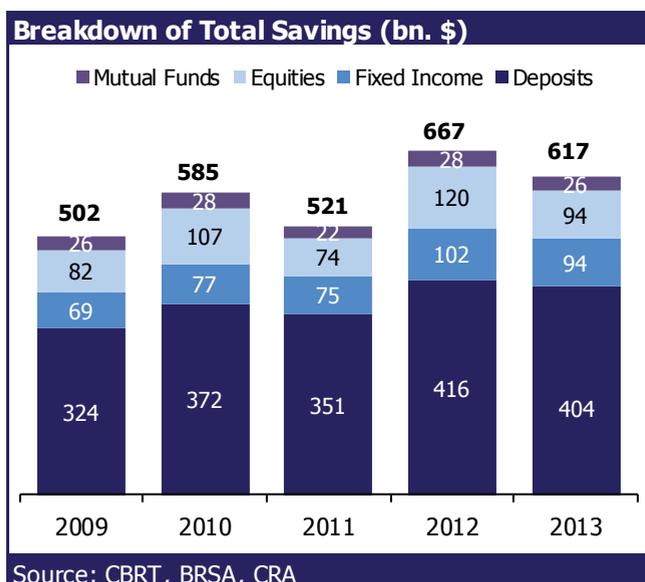
Source: TCMA

The brokerage firms' aggregate net profits increased by 72% in 2013 along with the increase number of profit makers. 54 brokerage firms recorded a profit of US\$ 308 million, while 41 brokerage firms posted aggregate losses of US\$ 30 million. The most profitable brokerage firm's profit was US\$ 147 million supported by the sale of subsidiaries of one brokerage firm in 2013.

Brokerage Firms' Profitability

	2012	2013	Change
ROE	9.9%	16.5%	66.9%
EPS (TL)	0.18	0.30	62.4%

Source: TCMA



As of end 2013, total savings in Turkey declined by 7% to US\$ 617 billion due to the depreciation of the TL against the dollar by 20%. In TL terms, total savings were up by 14% in the same period. Domestic residents hold 80% of the total savings.

Bank deposits continued to be the major component in savings. Investors hold US\$ 404 billion in bank deposits as of end 2013. Total investments in equities decreased by 22% to US\$ 94 billion in 2013 because of the decline in the BIST-100 index by 28% in US dollar terms. The shares of fixed income securities and mutual funds in total savings remained almost unchanged, at 14% and 4% respectively.

Number of Equity Investors

(thou.)	2011	2012	2013
Domestic Investors	1,090.1	1,080.3	1,100.9
Individuals	1,086.4	1,075.4	1,095.2
Corporations	3.1	4.3	5.1
Institutionals	0.5	0.6	0.6
Foreign Investors	7.7	8.3	9.6
Individuals	4.5	4.8	6.0
Corporations	1.1	1.2	1.3
Institutionals	2.1	2.2	2.3
Total	1,097.8	1,088.6	1,110.4

Source: CRA

The number of investors with equity holdings increased to 1.1 million with the participation of around 20,000 new domestic individuals in 2013. Number of domestic corporations increased by 747 in the same period.

Although the number of foreign investors continued to increase, they still represent less than 1% of the investor base. However, they hold 63% of the total equities.

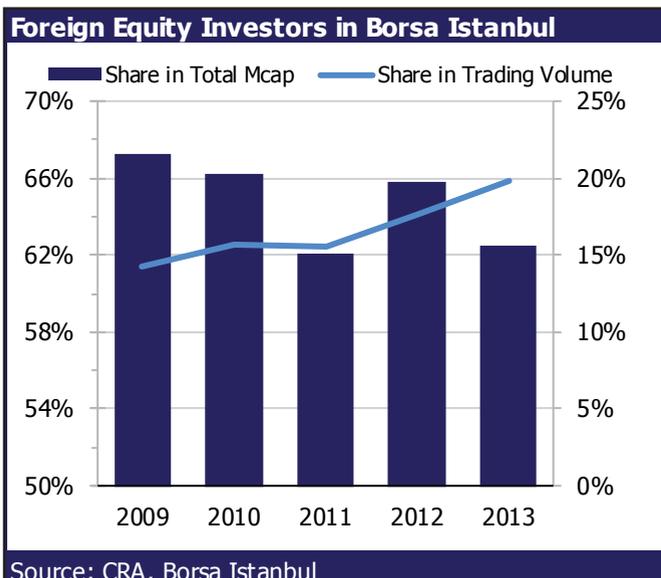
Equity Ownership

(mn.\$)	2011	2012	2013
Domestic Investors	27,985	40,884	34,282
Individuals	15,861	21,226	17,344
Corporations	9,113	14,901	12,647
Institutionals	3,011	4,758	4,290
Foreign Investors	45,979	79,056	57,369
Individuals	183	260	235
Corporations	13,447	23,459	15,646
Institutionals	32,349	55,337	41,488
Total	73,964	119,940	91,651

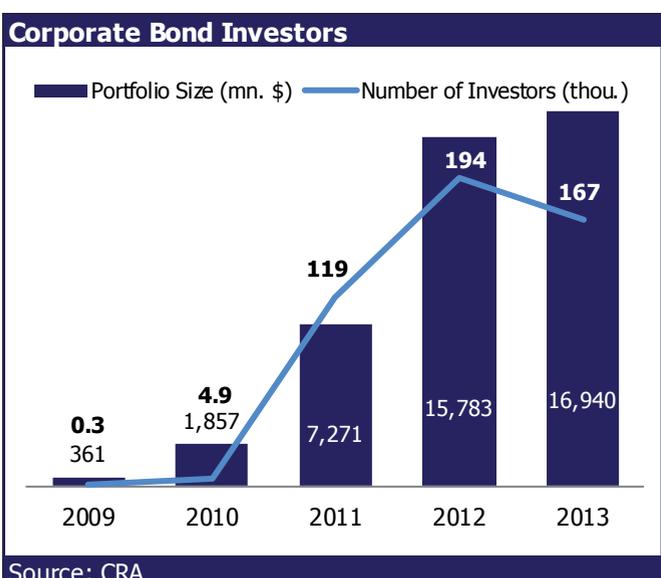
Source: CRA

Total equity holdings decreased to US\$ 92 billion at the end of 2013, from US\$ 120 billion in 2012.

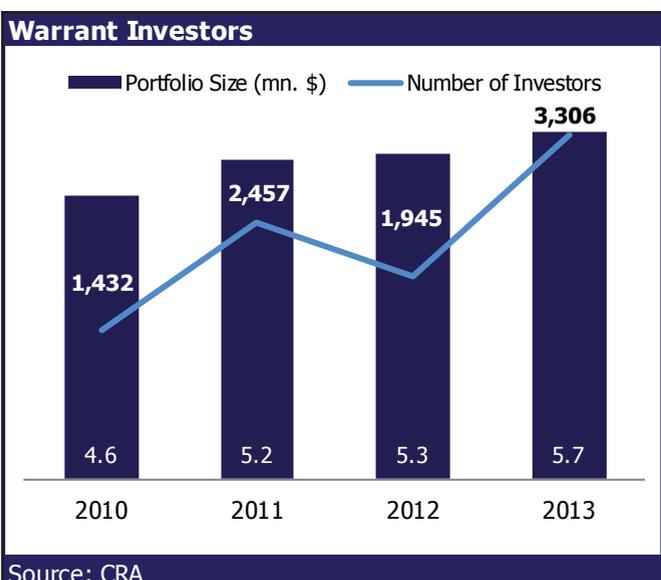
The share of domestic investors in total holdings went up by 3 percentage points to 37% in 2013. Foreign institutional investors continued to hold the major part of the equities with 45% share, followed by domestic individual investors (19%).



The share of foreign investors in the trading volume continued to increase in the last five years. Foreign investors held a lower share in portfolio value in 2013. However, their share in the trading volume was up by 2 percentage points to 20%.



Although both the number of investors and the size of corporate bond holdings rapidly increased in the last few years, the number of investors decreased to 167,000 by the end of 2013 from 194,000 in 2012, due to declining number of domestic individual investors. On the other hand, size of the bond investments increased by 7% to \$ 17 billion in the same period. Domestic institutional investors' share in outstanding corporate bonds increased to 21% in 2013 from 18% in 2012.



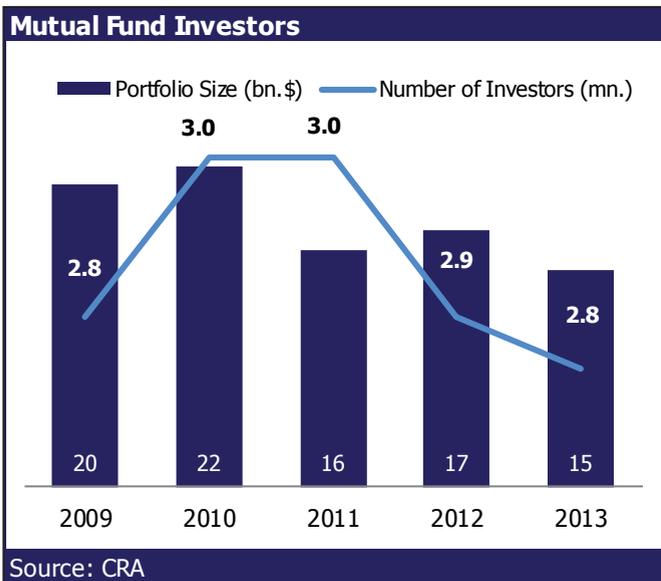
After its inception in August 2010, investments in the warrant market reached US\$ 5.7 million as of year-end 2013. The number of warrant investors also increased by 70% in 2013, thanks to new warrant issues implying 60% jump compared to 2012. Domestic individual investors continued to hold the major part of outstanding warrants (97%) in 2013.

Breakdown of Leveraged FX Trading Volume			
	2011*	2012	2013
Total Volume (bn \$)	183	1,317	2,573
Domestic Investors	99.9%	96.6%	94.8%
Individual Investors	64.7%	51.7%	52.9%
Corporations	35.3%	44.9%	41.3%
Institutional Investors	0.0%	0.0%	0.6%
Foreign Investors	0.1%	3.4%	5.2%
Individual Investors	0.1%	0.5%	2.8%
Corporations	0.0%	2.9%	2.3%
Institutional Investors	0.0%	0.0%	0.0%
Total	100%	100%	100%

Source: TCMA *September-December

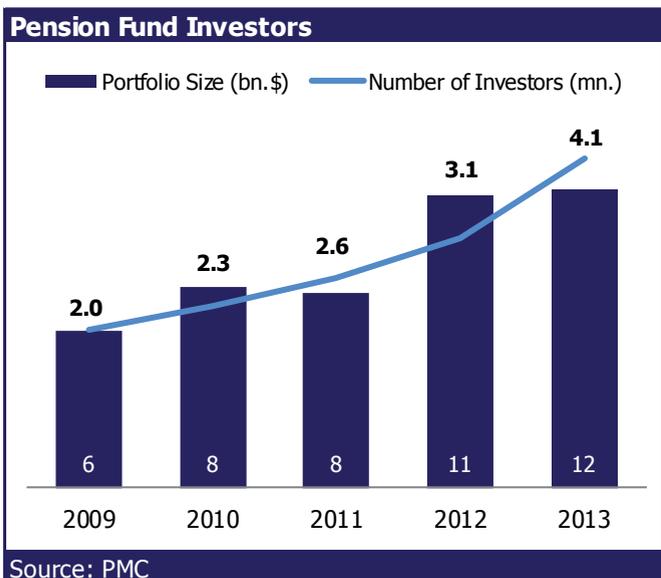
Forex market showed a remarkable growth, after it became regulated in August 2011. The trading volume in the forex market reached US\$ 2.6 trillion in 2013.

Domestic retail investors (53%) and domestic corporations (41%) continued to dominate the market. The high share of the domestic corporations is due to brokerage firms' hedging operations.



As of end 2013, the number of mutual fund investors is 2.8 million, which is almost three times of equity investors. The number of mutual fund investors decreased by 1.5% in 2013. The declining trend in the number of fund investors reflects the meagre performance - especially in liquid funds - in the last few years as well as increasing number of options in alternative investment tools.

Total size of mutual funds declined to US\$ 15 billion by the year end 2013, compared to US\$ 17 billion in 2012 due to the depreciation of the Turkish Lira.



Pension funds market showed a significant development in 2013, thanks to changes in regulations, envisaging a 25% state contribution to private pension funds to boost domestic savings.

The implementation of state subsidy led to a 32% increase in the number of participants in the Private Pension System in 2013, while new participants made a limited contribution to the portfolio size. The assets under management recorded a limited increase to US\$ 12 billion due to higher interest rates and declining stock prices, in addition to the depreciation in the Turkish Lira.

Capital Market Institutions

Borsa Istanbul
Capital Markets Board of Turkey
Capital Markets Licensing and Training Agency
Central Securities Depository
Takasbank - Istanbul Settlement and Custody Bank

www.borsaistanbul.com
www.cmb.gov.tr
www.spl.com.tr
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Public Institutions

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www.bddk.org.tr
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Professional Associations

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Investor Relations Association of Turkey
Participation Banks' Association of Turkey
Turkish Capital Markets Association
Turkish Institutional Investment Managers' Association

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