

ANNUAL REPORT 2022

TCMA 2022 ANNUAL REPORT



*Women of the Republic in  
its Centennial*



Our country has been deeply shaken with one of the most destructive disasters of the century.

We have witnessed once again how strong the bonds are that unite our nation, our people.

Our profound sorrow for our losses will last forever; however we have the power to ease the sufferings of all our citizens who have been affected by the earthquake. As the entire sector, we shall effectively fulfill our role and revitalize each and every city, company and community that suffered due to the earthquake by creating long term resources.

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## HİLMİ ŞİMŞEK

Hilmi Şimşek was born in 1974 in Amasya. He graduated with a degree in painting from Murteza Fidan's Atelier, Faculty of Fine Arts at Marmara University.

- 19 March 2021 – He was named the American Watercolor Weekly Ambassador.
- June 2019 – His works were featured in the "Sumi-e" episode of the Japanese Painting program aired on Chukyo TV in the city of Nagoya in Japan.
- The artist and his works were covered in the "Contemporary Sumi-e Art in Japanese Culture" master's thesis by Özlem Karaosmanoğlu, a graduate student in the Department of Art and Design, Graduate School of Social Sciences at Kastamonu University.
- Two tern paintings by the artist are showcased in the permanent exhibition of the Great Gull Island research station located east of the North Island of Long Island where American Museum of Natural History (AMNH) ornithologist Prof. Helen Hays and her team have been researching and working to improve the nesting conditions of the Common Terns and the endangered Roseate Terns for more than 40 years.
- Two artworks by the artist are featured in Europa, Smiling Europe, a collection of cartoons published in 2007 to commemorate the 50th anniversary of the signing of the Treaty of Rome by the Office of the European Parliament in Portugal.

- 2011- Made the period illustrations for the film "Romance in İstanbul" by director Yavuz Özkan for Z1 Film Studio.
- 2010 - Made the period illustrations for the TRT documentary "North Star - The Footprints of the Turks Around the World" by director Turgut Söğüt for Yedirenk Production.
- Worked as a cartoonist and illustrator for Nokta, Businessweek Türkiye periodicals and Küstah humor magazine.
- 2001 - 2003 - Worked as an instructor for the Plastic Arts Club and Humor Club at Yıldız Technical University.

### Selected Exhibitions:

- 2023 - Watercolor Painting Exhibition "Portraits Enlightened by Atatürk", Schneidertempel Art Center, İstanbul
- 2022 - III. International Watercolor & Spirit Triennial, Varna
- 2021 - Dialoghi Sulla Contemporaneità, Fondazione Venanzo Crocetti Museum, Rome (Neo Art Gallery- Curators Giorgio Bertozzi & Ferdan Yusufi)
- 2019, 2021 - Vernice Art Fair, EuroExpoArt Forli/Italy, (Neo Art Gallery – Curators Giorgio Bertozzi & Ferdan Yusufi)
- 2018 - An Exhibition by Contemporary Sumi-e Artists, Marimura Japanese Art Museum, Nagoya, Japan
- 2018 - DSWF Wildlife Artist of the Year Exhibition. Iconic Mall Galleries, London, UK
- 2017 - American Museum of Natural History (AMNH) Great Gull Island Hall Permanent Exhibition (endangered Terns)
- 2004 - Turkish Jockey Club 6th Painting Competition Exhibition, Veliefendi Racecourse, İstanbul

### Private Collections:

- Turkish Jockey Club Painting Collection
- Ornithologist Prof. Utku Perkteş Collection, University of Kansas
- American Museum of Natural History, The Great Gull Project
- Prof. Turan İtil Collection

Charcoal drawings in our Annual Report are by esteemed artist Hilmi Şimşek.

# *Republican Women of Türkiye*

They carried guns and artillery, they took up arms to save their country; they were in the frontline while the foundations of our republic were being laid. They took part in production to help with the country's development, plowing and hoeing the land, working in factories. To exist through science, they researched and discovered. They became nurses and doctors and bound the wounds. They became virtuosos, painters, sculptors and made it to the top of the artistic arena. They became altruist mothers and raised strong and conscious generations.

**The brave, productive, pioneering, smart, self-sacrificing women of the Republic relentlessly stood up against all the hardships, worked tirelessly to pave the way for the future, and they continue to do so with determination. In the 1st centennial of our Republic, they are leading the society, carrying modern Türkiye to the future.**

## **WE TAKE ON AN ACTIVE ROLE IN RESOLVING THE PROBLEMS OF THE SECTOR AND THE STEPS THAT WILL CARRY IT FORWARD.**

We are professional organization with public institution status established in 2001 under the Capital Market Law. Since 2014, our membership structure consists of all banks, brokerage firms, asset management companies, and investment trusts whose shares are publicly traded that are authorized for capital market operations. Drawing on our representative power and experience, we offer solutions driving the development of the capital market for members and investors.

Muazzez

İlmüye

Çiğ

*Sumerologist, Scientist, Historian. One of the world's leading researchers of Sumerian and Hittite cultures. A worldwide-renowned scientific scholar in Sumerology.*



# TURKISH CAPITAL MARKETS ASSOCIATION

We are professional organization with public institution status established in 2001 under the Capital Market Law. Since 2014, our membership structure consists of all banks, brokerage firms, asset management companies, and investment trusts whose shares are publicly traded that are authorized for capital market operations. Drawing on our representative power and experience, we offer solutions driving the development of the capital market for members and investors.

## For a Solid Capital Market

We collaborate with:

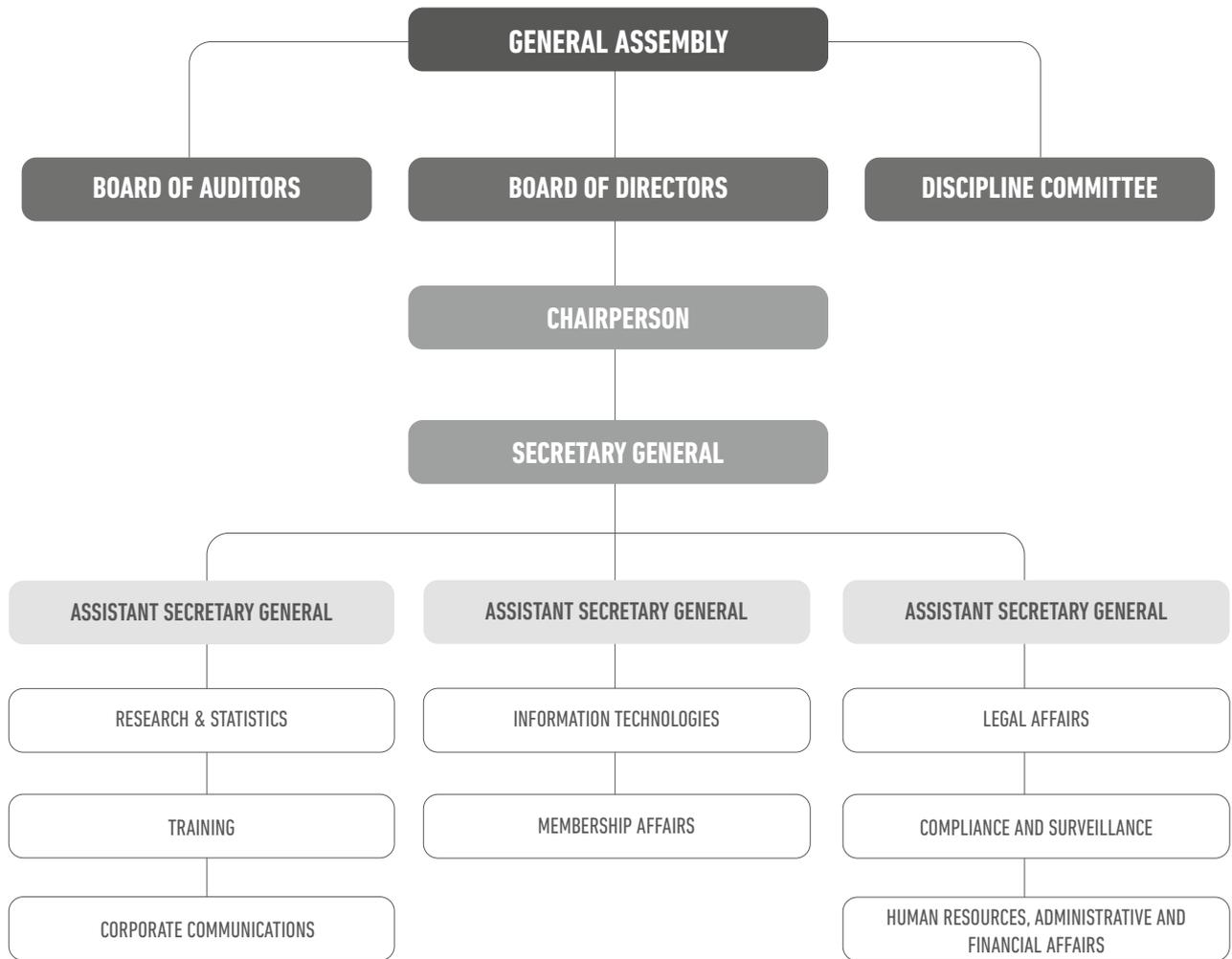
- All relevant public institutions and mainly the Capital Markets Board of Türkiye (CMB),
- Capital market institutions including Borsa İstanbul, İstanbul Settlement and Custody Bank (Takasbank), Central Securities Depository (MKK), Capital Markets Licensing Registration and Training Agency, etc.,
- Institutional and individual investors,
- Our members and market professionals,
- Public companies, universities, relevant associations, unions, and the media.

## What We Do?

- We develop, implement and oversee guidelines to make sure that our members' operations are fair and honest, and that they exercise the due care and discipline required by the capital market in their business.
- We evaluate complaints regarding the services our members offer to their customers, and we assist in the resolution of disputes.
- We hold events aimed at the development and deepening of the sector in our country, and we take actions before the public institutions and agencies.
- We cooperate with related foreign institutions.
- We conduct research for the development of the capital market.
- We monitor professional and regulatory developments, and inform our members.
- We offer training programs for the market professionals.
- We design and run investor education programs.

# ORGANIZATIONAL STRUCTURE

Average age of our staff is **43**, average years of work experience is **18 years**. **1** of our employees has a **doctoral degree**, **10** have **master's degree** and **13** have **bachelor's degree**. Our total number of employees is **26**.



# MILESTONES



## 2001

- The Association was founded under the name the Association of Capital Market Intermediary Institutions of Türkiye (TSPAKB).
- The first general meeting was held.
- The first membership meeting was held.
- Professional Rule Book was published.
- Disciplinary Regulation was announced.

## 2002

- The first panel discussion was held.
- TSPAKB website went live.
- The first annual report was printed.
- The first monthly magazine was published.
- Licensing exam preparation trainings started.
- The first press conference was held.

## 2003

- Professional development training started.
- Rules of Arbitration were released.
- The Association joined the International Organization of Securities Commissions (IOSCO).

## 2004

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

## 2005

- A questionnaire was administered regarding the Capital Market Activities.

## 2006

- The Association joined the International Council of Securities Associations (ICSA).

## 2007

- Global Financial Centers and İstanbul report was released.

## 2008

- The first annual report in English was published.
- Personal development trainings began.

## 2009

- Compliance Program Development Guide for Brokerage Firms was published.
- The Association joined the International Forum for Investor Education (IFIE).
- The Association's Disaster Recovery Center was launched.

## 2010

- Financial Statements Guide for Brokerage Firms was released.
- The first international conference was organized.
- The first overseas event was organized in South Korea.
- 100th issue of the monthly "Agenda in Capital Markets" was published.
- Various data associated with financial statements of brokerage firms required by the Central Bank of the Republic of Türkiye (CBRT) were integrated in the Association's data collection forms and began to be collected at the Association.

## 2011

- The Association completed its 10th year in operation.
- Tenth edition of the Turkish Capital Market Annual Review was published.

## 2012

- Investor training began through social media accounts.

- The Association hosted the ICSA and IOSCO SROCC Semi-Annual Conferences.
- Free training was offered for university students.
- Cooperation agreements were signed with the Korean Stock Exchange and the Japan Association of Intermediary Institutions.
- Member data began to be collected using the Association's proprietary Member Management System software.

## 2013

- Social network accounts of the Association were activated.
- www.paramveben.org (My Money and I) website went live as part of investor education.
- "Kamera Elinde Geleceğin Cebinde (Camera in Your Hand, Future in Your Pocket)" short film contest was organized for the first time.
- "TSPAKB Public Offering Principles" were developed.

## 2014

- The Association of Capital Market Intermediary Institutions of Türkiye (TSPAKB) acquired its new membership structure with the inclusion of asset management companies and investment trusts, and was renamed Turkish Capital Markets Association (TCMA).
- Various professional committees, subcommittees and task forces were set up at the Association.
- The first issue of the Gösterge publication was released.

**2017**

The first issue of the international peer-reviewed journal titled "Journal of Capital Markets Studies" was published.

- The Association was elected as a member of the FEAS (Federation of Euro-Asian Stock Exchanges) Board of Directors.

**2015**

- Under the Association Statute, Turkish Capital Markets Association Disciplinary Guidelines were updated and entered into force upon being published in the Official Gazette.
- Periodic data began to be collected from asset management companies.
- The first capital markets scholarships began to be granted.

**2016**

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

**2017**

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

**2020**

Our international peer-reviewed journal titled "Journal of Capital Markets Studies" published in cooperation with the Emerald Publishing Group was made available for open access in EconLit and ERIH PLUS.

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

**2018**

- "Mutual Funds Provisions Directive" was published.
- "Recommendations and Action Plan for the Development of the Capital Markets" report was released.
- The first Vision Meeting was co-organized by the Association and TKYD (Turkish Institutional Investment Managers' Association).
- The Association became a signatory of the Asia Securities Forum's Declaration on Commitment to Sustainable Development Goals along with the leading capital markets representatives in the Asia-Pacific region.

**2019**

- "Serathon-in Capital Markets Software Marathon", the first hackathon in the area of capital markets in Türkiye, was held.
- The Association hosted the Asia Securities Forum.
- The Association became a shareholder of JCR Eurasia Rating.

**2022**

The first carbon-neutral edition of the Turkish Capital Markets Summit was held.

- The Association began to be represented on the newly established Borsa İstanbul A.Ş. Advisory Committee with three members.

**2020**

- Our international peer-reviewed journal titled "Journal of Capital Markets Studies" published in cooperation with the Emerald Publishing Group was made available for open access in EconLit and ERIH PLUS.
- The Association joined the Executive Committee of the Venture Capital Support Program launched by TÜBİTAK TEYDEB (Technology and Innovation Grant Programs Directorate).
- The Association became a shareholder of Birleşik İpotek Finansmanı A.Ş., a mortgage financing company.

**2021**

- 2021 marked the completion of the Association's twentieth year in operation.
- As per the modification in the statute of the Turkish Association of Appraisers (TDUB), our Association started to be represented on the TDUB Board of Directors with one member.

**2022**

- The first carbon-neutral edition of the Turkish Capital Markets Summit was held.
- The first main NFT for the Turkish Capital Market Summit was created.
- Guidelines for Net Asset Value and Asset Value Table for Real Estate Investment Trusts were released.

# BOARD OF DIRECTORS



**İbrahim H. Öztop**  
Chairperson

Development and Investment Bank of Türkiye  
CEO and Board Member



**M. Selim Yazıcı**  
Vice Chairperson  
TEB Investment  
General Manager



**Yılmaz Arısoy**  
Board Member  
Yapı Kredi Invest  
General Manager and Board Member



**Hasan Rifat Topkar**  
Board Member  
OYAK Securities  
General Manager



**Ali Şöner**  
Board Member  
Halkbank  
Deputy General Manager



**Sinem Edige**  
Board Member  
Garanti BBVA Asset Management  
General Manager and Vice Chairperson of  
Executive Board



**Alim Telci**  
Board Member  
RE-PIE Portfolio Management  
General Manager and Board Member



**Yaşar Bahçeci**  
Board Member  
The Turkish Association of Appraisers  
Chairperson



**İ. Gökşin Durusoy**  
Board Member  
Akiş Real Estate Investment Trust  
Board Member



**Prof. Dr. Güler Aras**  
Independent Board Member



**Hacer Dilek Türker Uludağ**  
Independent Board Member

## AUDIT BOARD



**E. Pamir Karagöz**  
Audit Board Member  
QNB Finansinvest  
General Manager and Board Member



**Eralp Arslankurt**  
Audit Board Member  
Yatırım Finansman Securities  
General Manager



**Atila Yanpar**  
Audit Board Member  
Aktif Bank  
Deputy General Manager



**Murat Onuk**  
Audit Board Member  
Arz Portfolio  
General Manager and Board Member



**Çağan Erkan**  
Audit Board Member  
Doğuş Real Estate Investment Trust  
General Manager

## DISCIPLINE COMMITTEE



**Selen Derin**  
Discipline Committee Chairperson  
A1 Capital Investment  
Deputy General Manager



**Tuğba Çakın**  
Discipline Committee Vice Chairperson  
Deniz Investment  
Deputy General Manager



**Suat İnce**  
Discipline Committee Member  
Anadolubank  
Board Member



**M. Emin Özer**  
Discipline Committee Member  
Albaraka Asset Management  
General Manager and Board Member



**Mehmet Ahkemoğlu**  
Discipline Committee Member  
Alarko Real Estate Investment Trust  
Chairperson

# EXECUTIVE MANAGEMENT



**Serdar Sürer**  
Secretary General



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



**Elif Gönençer**  
Assistant Secretary General  
Research and Statistics  
Training  
Corporate Communications



**Ö. Faruk Şenel**  
Assistant Secretary General  
Information Technologies  
Membership Affairs



## EXECUTIVE MANAGEMENT

- 1- Serdar Sürer**  
Secretary General
- 2- Süleyman Morbel**  
Assistant Secretary General
- 3- Elif Gönençer**  
Assistant Secretary General
- 4- Ö. Faruk Şenel**  
Assistant Secretary General

## DIRECTORS

- 5- Ekin Fıkırkoca Asena**  
Research and Statistics Director
- 6- Engin Turan**  
Human Resources, Administrative and Financial Affairs Director
- 7- Esra Esin**  
Compliance and Surveillance Director
- 8- Gökhan Büyüksengür, Ph.D.**  
Training Director
- 9- Telman Şahbazoğlu**  
Information Technology Director
- 10- Tuğba Oğan**  
Corporate Communications Director

## OUR STAFF

- 11- Ahsen Uğurses**  
Training / Assistant Specialist
- 12- Aslı Hondu İmamoğlu**  
Membership Affairs / Assistant Director
- 13- Aslı Köslüoğlu**  
Corporate Communications / Senior Specialist
- 14- Barış Yalın Uzunlu**  
Research and Statistics / Specialist
- 15- Atty. K. Burcu Mert**  
Legal Affairs / Assistant Director



**16- Cihan Coşgun**

Information Technologies / Senior Specialist

**17- Çağla Eralp**

Training / Senior Specialist

**18- Deniz Kahraman**

Research and Statistics / Senior Specialist

**19- Gülcan Yalcıner Durmuş**

Human Resources, Administrative and Financial Affairs / Assistant Chief

**20- Gülşen Erkilic**

Corporate Communications / Senior Specialist

**21- Hülya Kandemir Yılmaz**

Human Resources, Administrative and Financial Affairs / Assistant Director

**22- Kerim Karakaya**

Human Resources, Administrative and Financial Affairs / Assistant Director

**23- Muzaffer Demirci**

Human Resources, Administrative and Financial Affairs / Administrative Support

**24- Serhat T. İşler**

Compliance and Surveillance / Assistant Director

**25- Sevda Uslu**

Compliance and Surveillance / Assistant Director

**26- Şadiye Selek**

Human Resources, Administrative and Financial Affairs / Office Services

*Our Team*

*Semiha*

*Berksoy*

*Opera Singer, Stage Actress and Painter,  
Türkiye's first internationally recognized artist  
and an icon of the Republican era.*



## OVERVIEW OF 2022

**NEW INVESTORS' INTEREST IN THE CAPITAL MARKETS CONTINUED TO INCREASE. THE NUMBER OF DOMESTIC INDIVIDUAL INVESTORS IN THE EQUITY MARKET WENT UP FROM 2.3 MILLION FROM YEAR-END 2021 TO 3.8 MILLION AT THE END OF 2022.**

### **Distinguished Members,**

The second month of 2023 brought upon us the deep grief of a catastrophic earthquake.

On 6 February 2023, Monday, we were shaken by two great earthquakes that measured 7.7 and 7.6 on the Richter scale, which had their epicenter in Kahramanmaraş with diffusing effects across 11 provinces. We lost tens of thousands of people and hundreds of thousands survived with injuries. We pray that those who perished will rest in peace, wish speedy recovery to the injured, and offer our condolences to those who lost loved ones. We are forever indebted to all the teams who worked day and night for research and rescue and debris removal. As the entire nation, we worked in extreme unity and dedication to bind the wounds after the earthquake that is considered as the disaster of the century. As we rebuild our cities afflicted by the earthquake even further increasing our national solidarity, we need to achieve the transformation of our building stock, prioritizing high-risk cities and gradually covering the entire country, paying due regard to the fact that Türkiye is an earthquake-prone country. From the first moment of the disaster, as The Turkish Capital Markets Association, we spent our best endeavors to support our people in the earthquake-stricken cities. As TCMA, we provided TL 3 million support to AFAD and the Turkish Red Crescent. In the period ahead, we will fulfill any duty that falls upon us in solidarity with our members.

I would like to open our 2022 Annual Report with a review of the past year

and touch upon our future targets. In 2022, economic activity livened up in our country as a result of growth-targeted policies. Our capital markets had a highly successful year thanks to the importance attached by all capital market institutions -public and private- to digital transformation, contribution of technological services our members delivered uninterruptedly, and the policies supporting the capital markets.

New investors' interest in the capital markets continued to increase. The number of domestic individual investors in the equity market went up from 2.3 million from year-end 2021 to 3.8 million at the end of 2022. The BIST-100 index that shot up by 196.6 percent owing to the record rise in the interest of domestic individual investors brought along record growth in domestic investors' equity holdings in 2022. Domestic investors' equity holdings, which were worth TL 524.7 million in 2021, boomed by a staggering 250% in one year and reached TL 1 trillion 836 billion at the end of 2022.

Domestic investors' interest in the capital markets was not restricted to the equity market. Investors' interest in funds managed by asset management companies also grew exponentially. Increased investor interest and our companies' successful performance brought total assets under the management of our asset management companies from TL 653 billion at year-end 2021 to nearly TL 1.6 trillion at end-2022.

As a result of higher interest and the successful performance of our capital markets, the share of capital market assets of domestic investors in total



**DURING 2022, 40 COMPANIES WENT PUBLIC, DERIVING FUNDS THAT AMOUNTED TO 19.3 BILLION TL FROM THE CAPITAL MARKETS.**

financial assets went up by 6 points as compared to the previous year and rose to 43% as of end-2022.

As investor interest grew, the companies' interest in the capital markets followed suit at an increasing pace. During 2022, 40 companies went public, deriving funds that amounted to TL 19.3 billion from the capital markets. Including these IPOs, the number of companies quoted on Borsa Istanbul reached 483 as of end-2022.

I would like to underline once again that we regard growing interest of investors and the real sector in the capital markets as an opportunity, as we express often. We are anticipating the investor interest to persist strongly also in 2023. Our foresight in this respect is further corroborated by the fact that youth has been making up a substantial portion of new investors in the capital markets in recent years. Although the number of investors registered historic increases when compared with the past, we predict that the number of investors will go up exponentially in the

coming period in view of our country's demographics. In order to further reinforce the role capital markets play in the development and growth of our country, I believe that starting from 2023 we, as the Turkish Capital Markets Association, need to increase our focus on more strongly attracting foreign investors alongside domestic investors to the capital markets in our country. We will sustainably reinforce our growth by prompting also foreign investors to direct their investments to our country.

## OVERVIEW OF 2022

**IN 2022, OUR CAPITAL MARKETS PERFORMED SUCCESSFULLY AND WE, AS TCMA, CARRIED ON WITH OUR UNYIELDING CONTRIBUTION TO OUR SECTOR WITH MULTIFACETED TRAINING PROGRAMS, EVENTS, COMMUNICATION ACTIVITIES AND SOLUTION SUGGESTIONS MAINLY FOCUSED ON KEEPING OUR INVESTORS INFORMED.**

With its massive consequences, the devastating disaster once again reminded us that the earthquake risk is a hard truth for our country. In order to avoid another disaster, we must redesign our cities across the country and render them earthquake-ready promptly. We keep witnessing that the severity and frequency of problems associated directly with climate change are increasing. Hurricanes, floods, increased wildfires and the current temperature levels are striking. The financing of investments necessary for a low-carbon transition made capital markets all the more important around the world. We are convinced that the Turkish capital markets will play an active part in our country's urban transformation that accommodates the earthquake risk of our country and Türkiye's green transformation with its growing financing sources.

At TCMA, we have long ago espoused sustainability as a priority policy. We highlight the vitality of a responsible understanding in all our activities and we carry out sustainability awareness events. "Expertise in Sustainability Certification Program" we have been co-organizing with the Sustainable Learning Development and Excellence Association (SEGM) since February 2021 has been a major magnet. In keeping with our conviction that combating the climate crisis needs to be embedded in all departments of our lives, we made the 6th edition of the Turkish Capital Market Summit a carbon-neutral organization, which we have been organizing since 2017 so as to cover the sustainability theme each year. At TCMA, we are carrying on and further increasing our efforts in relation to sustainability, which we regard as vital for our planet.

### **Distinguished Members,**

In 2022, our capital markets performed successfully and we, as TCMA, carried on with our unyielding contribution to our sector with multifaceted training programs, events, communication activities and solution suggestions mainly focused on keeping our investors informed. We conducted projects, events and training programs that will embrace our country aimed at sustainable growth of our sector. In these events, we always paid attention to concentrating on the "story and opportunities of the future".

The Association continued with various activities in communication, training and events to promote consciousness of saving up and investing. Our 'investors' have always been our unchanged focus in this respect. Despite all the restrictions of the pandemic days, we persisted in our investment training without letup.

I would like to briefly touch upon some of our events and activities, which will be addressed in detail in our Annual Report. We held the 7th TCMA Golden Bull Awards ceremony that we have been organizing annually to contribute to the development and recognition of capital markets in May last year.

Within the scope of the World Investor Week held online between 3-7 October 2022, nearly 100 expert speakers took part in 20 panels and training sessions that addressed real sector companies, startups, individual and institutional investors, and university students. Participants scattered over a broad array from investors to companies to our sector followed the event.

1,228 students from 159 universities participated in the Golden Egg University Goer Fund Basket Contests organized in cooperation with the Turkish Institutional Investment Managers' Association and İstanbul Settlement and Custody Bank (Takasbank) between 18 April and 30 November 2022.

We held the sixth edition of the Turkish Capital Markets Summit that has grown into the sector's top event on 1 December 2022 in İstanbul. Themed "Beyond Finance: Investing in the Future", the 6th Turkish Capital Markets Summit held in a carbon-neutral fashion featured training programs covering 15 different headings as well as 15 panels, during which nearly 100 foreign and Turkish experts, academics, NGO and real sector representatives shared their knowledge and experiences.

We kept releasing our publications that are followed up with interest and regarded as reference particularly by the industry. When preparing our publications in Turkish and English, we took care to produce content providing information about current topics discussed on the international platform. We made the data associated with the market developments available to the public in monthly, quarterly, semi-annual and annual press releases.

#### **Distinguished Members,**

As TCMA, we have always spent our best endeavors to realize all our activities in a bid to drive the growth of our industry and augment the role it undertakes in our country's development. As we did in the past, so too in the future, we will continue to do everything in our power to heal the wounds inflicted by the massive earthquake disaster, and to rebuild our cities, companies and society affected by the earthquake. As the Turkish nation, we have the power to bind the wounds of all our citizens and overcome the problems caused by this disaster. As the Turkish Capital Markets Association, I would like to underline once again that together with all our members, we will fulfill the duties that fall upon us with the utmost sense of responsibility.

I would like to take this opportunity to thank once again all our members who have always stood by us and extended all kinds of support.

Yours sincerely,

İbrahim H. Öztop  
Chairperson

**AS TCMA, WE HAVE ALWAYS  
SPENT OUR BEST ENDEAVORS  
TO REALIZE ALL OUR  
ACTIVITIES IN A BID TO  
DRIVE THE GROWTH OF OUR  
INDUSTRY AND AUGMENT  
THE ROLE IT UNDERTAKES  
IN OUR COUNTRY'S  
DEVELOPMENT.**

# Sabaha Gökçen

*The world's first female fighter pilot and  
Türkiye's first female pilot. She was named one  
of "The 20 Greatest Aviators in History".*



## INITIATIVES

# INNOVATIVE EFFORTS



WE CARRIED ON OUR INNOVATIVE EFFORTS TO DEEPEN AND **STRENGTHEN OUR CAPITAL MARKETS ALSO IN 2022.**

### **Cooperation Between Borsa İstanbul and the Association**

Joint meetings were held between the representatives of brokerage firms and banks from amongst the Association's Board of Directors and Board of Auditors members and Borsa İstanbul officials, which were attended also by İstanbul Settlement and Custody Bank (Takasbank) and Central Securities Depository (MKK) representatives. The meetings are held to exchange ideas in relation to implementation principles mainly for the equity market, derivatives market, IPO and debt securities market, and for the improvement and expansion of the markets; to evaluate new products and improve market operation processes. In the meetings that dwelled on current topics, issues and uncertainties arising in practice were tackled and solutions were sought.

### **Promotional Campaigns**

Pursuant to the Capital Markets Board of Türkiye (CMB) requirements, promotional campaigns in relation to capital market activities organized

by brokerage firms and banks were notified to the Association prior to implementation, and planned campaigns were held only after applications were reviewed and approved. During 2022, the Association reviewed 84 applications by its members and informed the related parties on its conclusions.

### **Amendments related to the Communiqué on Remote Authentication Methods and Establishment of Electronic Contract Relationship and Amendments to the Communiqué on Documentation and Record-Keeping System**

- Communiqué no. III-42.1 on Remote Authentication Methods to be Used by Brokerage Firms and Asset Management Companies and Establishment of Electronic Contract Relationship, and
- Communiqué no. III-45.1.b amending the Communiqué on Documentation and Record-Keeping System Regarding Investment Services and

- Activities and Ancillary Services issued by the Capital Markets Board of Türkiye (CMB) were published in the Official Gazette issue 31744 dated 08 February 2022. The said Communiqués were to be enforced one month after their publication dates.

The Communiqué related to Remote Authentication Methods and Establishment of Electronic Contract Relationship allowed remote customer acquisition for brokerage firms and asset management companies, and set out the procedures and principles concerning the remote authentication methods they can employ in the process.

Changes were made also to the documentation and record-keeping system of investment services and activities in view of the new control areas emerging for the technological infrastructure and information systems management components.

Following consultation with our members regarding the above mentioned regulations, the sector's opinions regarding potential problems and uncertainties in practice were presented for consideration by the CMB.

Within the frame of the opinions presented by the Association, concerning the implementation of Article 5/A "Authentication and Transaction Security" of the Communiqué on Documentation and Record-Keeping System that would enter into force on 08 March 2022, it was decided to supplement the section titled "Z. Authentication and Transaction Security" to the Investment Services and Activities and Investment

Companies Guide (the Guide), which was accepted and published by the CMB Decision Body Resolution numbered i-SPK.37.1 (dated 27.06.2014 and no. 20/661) and accordingly, companies were granted time until 31 December 2022 to complete the necessary infrastructure for achieving alignment with the relevant article.

A demand was filed with the CMB for granting additional time to companies so that the necessary infrastructural work for alignment with the said article could be completed in an integrated manner and tested.

As per the Association's demand, the CMB decision for postponing the transition deadline for alignment with Article 5/A of the Communiqué on Documentation and Record-Keeping System until 31 March 2023 was communicated to our members by the Association's General Letter no. 871.

#### **Draft Communiqué on the Principles for Companies to be Traded on the Venture Capital Market**

The Association conveyed to the Capital Markets Board of Türkiye (CMB) the Association's opinions and suggestions developed in line with the members' feedbacks and suggestions and the sector's needs and demands regarding the Draft Communiqué on the Principles for Companies to be Traded on the Venture Capital Market which is drawn up and circulated for feedback by the CMB.

#### **Draft Communiqué on the Principles for Capital Markets Rating Activity and Rating Agencies**

The Association conveyed to the Capital Markets Board of Türkiye (CMB) the members' feedbacks and suggestions regarding the Draft Communiqué on the Principles for Capital Markets Rating Activity and Rating Agencies, which was circulated for feedback by the CMB.

#### **Amended Real Estate Appraisal Minimum Fees Tariff and Draft Tariff and Implementation Principles**

The Turkish Appraisers Association (TDUB) demanded from the Capital Markets Board of Türkiye (CMB) to make improvements to the "Real Estate Appraisal Minimum Fees Tariff" because of the significant increases in the costs incurred by TDUB members for the performance of the appraisal service, upon which the CMB sought the Association's opinion about the matter.

Considering the related justifications TDUB presented to the CMB to be reasonable, the Association informed the CMB of its opinion that a certain ratio of increase in the Minimum Fees Tariff for the remaining months of 2022 would be appropriate.

The Association submitted to the CMB its opinions and suggestions resulting from the assessments made in relation to the draft "Real Estate Appraisal Minimum Fee Tariff" and "Real Estate Appraisal Minimum Fee Implementation Principles" prepared by the CMB for enforcement in 2023, which are intended to set out the amounts and limits of fees to be charged by TDUB members for the appraisal services to be rendered.

## INITIATIVES

### IPO Financing

Pursuant to the Resolution no. i-SPK.45.4 (dated 24/03/2022 and no. 14/461) of the Decision Body of the Capital Markets of Türkiye (CMB); it was decided to implement certain principles to standardize the bookbuilding subject to margin trading in an IPO by brokerage firms and to provide a direction to the implementation regarding some aspects of the margin capital intermediary trading. The Association conveyed to the CMB its opinions for elimination of concerns regarding the implementation of the Resolution communicated to our members and the Association, and for ensuring unity in practice in the market.

The CMB decision adopted for uniformity in implementation and provision of additional explanations for the implementation of certain aspects of margin capital market intermediary trading as per the Association's request was communicated to the members by the Association's General Letter no. 865.

### Informing Investors of Possible Risks in Shares Traded on the Submarket, Watchlist Market and Pre-Market Trading Platform

As per the Capital Markets Board of Türkiye (CMB) decision for informing investors of possible risks in shares traded on the Submarket, Watchlist Market and Pre-Market Trading Platform, Borsa İstanbul notified that investment companies are required to introduce a system by no later than 11 February 2022 for taking a statement from the investors that they have read

and understood "Information Sheets" at the time of the first investor order for shares traded on the Submarket, Watchlist Market and Pre-Market Trading Platform, and to enforce the orders transmitted only thereafter.

Following the Association's request for additional period of time for the establishment of the system infrastructure by investment companies, the implementation was enforced on 11 March 2022 based on Borsa İstanbul announcement numbered 2022/26.

### New Access to Address Sharing System

The amendment made to the Population Services Law no. 5490 by the "Law no. 7247 Amending Certain Laws and Statutory Decrees" provided brokerage firms and asset management companies governed by the Capital Market Law no. 6362 with access to the ID data, places of residence and other address data stored on the central database of the Republic of Türkiye Ministry of Interior Directorate General of Civil Registration and Citizenship Affairs (NVI). As a result of our joint efforts with the CMB before the Republic of Türkiye Ministry of Interior Directorate General of Civil Registration and Citizenship Affairs, the Association-member brokerage firms gained the opportunity to confirm addresses by making queries on the NVI central database. Meetings were held to discuss the application process and the necessary system infrastructures and integration for the Association-

member brokerage firms to make use of the system members' opinions were conveyed to the Directorate General of Civil Registration and Citizenship Affairs.

### The Finance Sector Cyber Shield 2022 Drill

Sectoral Cyber Incident Response Teams (Sectoral CIRTs) were set up for the finance sector defined as one of our country's critical infrastructure sectors in the area of cyber security at the Capital Markets Board of Türkiye (CMB) and the Banking Regulation and Supervision Agency (BRSA). Sectoral CIRT consisted of Corporate CIRTs. In line with action 10 of the National Cyber Security Strategy and Action Plan 2020-2023 released by the Republic of Türkiye Ministry of Transportation and Infrastructure (the Ministry), Finance Sector Cyber Shield 2022 Drill (the Drill) was organized on 20-21 October 2022 on the Information and Communication Technologies Authority (BTK) campus in Ankara on the back of a collaboration of the BTK, National Center for Cyber Incidents Response (USOM), the Ministry, CMB and BRSA.

Brokerage firms and asset management companies designated by the CMB participated in the drill held on 20-21 October 2022. Besides the Finance Sector Cyber Shield 2022 Drill organized, Sectoral CIRT Working Group meeting took place on the BTK campus on 20 October 2022, which was participated also by representatives from brokerage firms and asset management companies covered

in the Sectoral CIRT Working Group meeting. Apart from the Finance Sector Cyber Shield 2022 Drill, Sectoral CIRT Working Group Meeting was held on the Information and Communication Technologies Authority campus on 20 October 2022 with the representatives of brokerage firms and asset management companies in the Sectoral CIRT Working Group designated by the CMB.

**Risk Factors Study on Financial Sanctions Targeted Against the Financing of Terrorism and Proliferation of Weapons of Mass Destruction**

Pursuant to the Action Plan created by the Financial Action Task Force (FATF) for our country, Financial Crimes Investigation Board (MASAK) determined the risk criteria for developing an audit program focused on targeted financial sanctions against the financing of terrorism and proliferation of weapons of mass destruction.

In order to complete risk analyses, MASAK required Association-member brokerage firms, asset management companies and investment trusts to provide the data for 2020 and 2021 in relation to determined criteria. Based on the study coordinated by the Association, related data supplied by all our members except for banks were consolidated on the basis of member groups and members, and submitted to MASAK.

**Study on the Measures Adopted on the Basis of Risk Factors as per the Risk Assessment by the Financial Crimes Investigation Board**

For conducting risk assessments associated with our capital market and calculating residual risks on the basis of each company for completing comprehensive analyses, the Financial Crimes Investigation Board (MASAK) required information regarding the enforcement of measures adopted by our members in relation to targeted financial sanctions risks.

In response, report sets prepared by the Association within the frame of data provided by the Association-member brokerage firms, asset management companies and investment trusts were submitted to MASAK.

**Sectoral Risk Assessment Report**

Within the scope of the Action Plan prepared upon our country's placement under increased monitoring by the Financial Action Task Force (FATF) in October 2021, Financial Crimes Investigation Board (MASAK) and Capital Markets Board of Türkiye (CMB) officials and the Association and market representatives conducted risk analyses concerning targeted financial sanctions against the financing of terrorism and weapons of mass destruction and compliance with anti-money laundering and countering the financing of terrorism obligations.

The Association prepared and submitted to MASAK a sectoral risks assessment report that covers the sectoral risks identified in the risk analyses conducted in relation to targeted financial sanctions and compliance with anti-money laundering and countering the financing of terrorism obligations, the measures adopted by the market against these risks, and general information about the market.

**Suitability and Expediency Testing of Mint Certificates**

The Association conveyed to the Capital Markets Board of Türkiye (CMB) its opinion that the Mint Certificate to be issued by the Turkish State Mint should be included in the "Medium Risk" products in the Suitability and Expediency Testing results, which was upheld as such by the CMB. Our General Letter no. 869 covering the CMB's explanations on the subject matter was released and shared with the public.

In this framework, the appendices to the Association's Circular on Suitability and Expediency Testing dated 28 May 2014 and no. 18 were updated.

**Yearly Contributions to the Investor Indemnification Center**

Our members' demands regarding yearly contributions to be paid to the Investor Indemnification Center in relation to derivatives traded on the OTC market were submitted to the Capital Markets Board of Türkiye (CMB). The CMB's assessments on the subject matter were publicly disclosed in our General Letter no. 858.

## INITIATIVES

### **Blockchain Product Development Group of the Association for Creation of Blockchain-Based Models for the Capital Markets**

For adapting blockchain-based business models to our national capital markets and implementing them, a Blockchain Product Development Working Group (the Working Group) was set up before the Association which is formed of Central Securities Depository (MKK), İstanbul Settlement and Custody Bank (Takasbank), Borsa İstanbul and TCMA officials and representatives of the Association-member brokerage firms and banks. Following the amendments to the regulatory framework, the Working Group will start working on developing the scope document on customer acquisition, bookbuilding, distribution and cash transactions in the process to initially allow usage of issuing models in the blockchain practice.

### **Working Group for Determining the Investor Risk Monitoring System Data Sets that can be Shared with the Sector**

The Investor Risk Monitoring System (YRTS) executed by the Central Securities Depository (MKK) for overseeing systemic risk and protecting financial stability measures brokerage firm risks and allows measurement of risks of brokerage firm customers who engage in margin trading, short selling and borrowing (investors).

The YRTS application's function is centralized communication of margin

trading, collaterals and risks to be calculated based on these values of investors trading on capital markets to the stakeholders in financial markets.

However, necessary amendment to the regulatory framework for allowing sharing of personal data has not been completed yet; hence, data sharing on customer basis cannot be made at present. A working group that also covers representatives from Borsa İstanbul, İstanbul Settlement and Custody Bank (Takasbank) and Central Securities Depository (MKK) has been set up to determine the data sets that can be provided to companies and shared publicly without incorporating personal data until the regulatory amendment is completed as well as additional reporting to be potentially required to be made by companies to MKK. The opinions and suggestions of the working group were submitted to the CMB in 2023.

### **The Association's Investment Portfolio**

In June 2015, the Association's Board of Directors decided to invest the provisions for severance and notice pays for the Association's employees in the mutual funds traded on the Türkiye Electronic Fund Trading Platform (TEFAS), for the dual purpose of securing maximum returns with minimum risk through proper distribution of assets, and of supporting the capital markets. The portfolio allocation of the initial investment amount of TL 1.1 million in March 2016

was updated based on reevaluations over the years and total portfolio reached TL 8.2 million at year-end 2022.

### **Contribution to the Presidency of the Republic of Türkiye Finance Office National Fintech Strategy Document**

In January, the Association submitted to the Presidency of the Republic of Türkiye Finance Office its opinions and suggestions concerning the National Fintech Strategy Draft coordinated by the said Office, provides a holistic and inclusive planning for the works to be carried out. The draft respect between 2022 and 2025 to manifest the country's potential in the context of the roadmap for development of the fintech ecosystem in our country.

### **Submission of our Opinions regarding the Draft World Bank Report**

Our opinions regarding the "Technical Note on Selected Capital Markets Options to Promote Long-Term Finance for Türkiye" draft report drawn up by the World Bank to study the development of long-term financing in Türkiye were submitted to the Republic of Türkiye Ministry of Treasury and Finance Directorate General of Foreign Economic Relations in January.

### **Postponement of the Publication Deadline for Financial Statements of Mutual Funds**

Pursuant to the regulation in force, mutual funds were expected to publish their year-end financial reports, together with the independent audit

report, on the Public Disclosure Platform (PDP) within 60 days. However, it was envisaged that year-end 2021 independent audit reports that were to be announced on PDP by 1 March 2022 would not be ready by then due to the pandemic-caused delays in signing and reporting. Hence, an application was filed with the Capital Markets Board of Türkiye (CMB) in February for the postponement of the PDP announcement deadline of these reports. Our demand was approved and additional time was granted until 30 April 2022 for the publication of 2021 year-end financial reports of pension mutual funds and mutual funds on PDP.

#### **Contribution to the Work of the Revenue Administration**

The Association compiled from its member banks, brokerage firms, asset management companies and investment trusts the amounts of monies received and the number of taxpayers that benefited from exemption based on money and capital market transactions and arbitrage and futures and options agreements made in 2021 under the exemptions clause of the Expenditure Tax Law, and submitted the same to the Republic of Türkiye Ministry of Treasury and Finance, Revenue Administration in May.

Additionally, returns derived on the share buying and selling on the basis of investor groups for 2021 were compiled from our brokerage firm and bank members and submitted to the Republic of Türkiye Ministry of Treasury and

Finance in May for use in the Ministry's Tax Expenditures Report.

#### **TCMA Proposal Concerning PPS Funds**

The TCMA communicated to the Republic of Türkiye Ministry of Treasury and Finance, the Capital Markets Board of Türkiye (CMB) and the Insurance and Pension Regulation and Supervision Agency (SEDDK) its suggestion that the minimum investment limit introduced for Auto Enrolment System Standard Pension Mutual Funds be applicable also to the PPS Standard and PPS Contributory Pension Mutual Funds offered in the voluntary system, including participation funds.

#### **Cash Loan Disbursement from Takasbank on behalf of Mutual Funds of Brokerage Firms**

Brokerage firms are able to take out cash loans from İstanbul Settlement and Custody Bank (Takasbank) on account of the firm's portfolios or on account of mutual funds in the name of their customers and hedge funds subject to certain limits. However, these limits prove to be inadequate in our day of larger sizes of mutual funds and increased portfolio diversities. Accordingly, our suggestion for allowing allocation of separate limits to mutual funds that borrow via brokerage firms was submitted to the Capital Markets Board of Türkiye (CMB) in September.

#### **Feedback Provided for the Draft Responsible Management Principles**

A working group has been set up at the Association to contribute to the

draft Responsible Stewardship Code prepared by the Capital Markets Board of Türkiye (CMB) in relation to the responsibilities arising from ownership of assets covered in the portfolios of funds under management by asset management companies. The opinions formed by the working group comprised of 16 asset management companies were conveyed to the CMB on 30 September 2022.

#### **The Project "Developing a Roadmap for Promoting Gender Diversity in Corporate Boards in Türkiye"**

Under the project "Developing a Roadmap for Promoting Gender Diversity in Corporate Boards in Türkiye" initiated in 2019 with the financial support of the European Bank for Reconstruction and Development (EBRD) and intended to promote female representation on corporate boards in Türkiye, the first session titled "Promoting Female Representation on Corporate Boards in Türkiye: Legislation and Regulatory Framework" was co-organized in June 2022 by the EBRD and the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), which was participated also by the Association. In the session, six working groups were formed; it was resolved to discuss the draft alternative legislation and regulatory strategies that will result from the collective work of the groups in their respective subject matters in the second session and share the same with lawmakers and regulatory agencies.

## INITIATIVES

Our Association has been appointed as co-chair with Borsa İstanbul to the Capital Markets Working Group which will focus on the policies and practices that can be espoused for promoting female representation on the boards of directors in the capital markets. The working group is composed of approximately 30 people including representatives from the Capital Markets Board of Türkiye (CMB), Banks Association of Türkiye (TBB), Turkish Investor Relations Society, Turkish Industry and Business Association, Corporate Governance Association of Turkey, Academy and the finance sector, alongside representatives from TCMA and Borsa İstanbul.

The first working group meeting was held on 17 October 2022 during which the problems associated with inadequate female representation on corporate boards and their causes were discussed. All participants conveyed the problems they identified and their opinions to our Association, which were compiled by the Association and shared with the participants. Our Association assumed reporter role in the working group.

### **Proposed Alteration to the Weighted Average Maturity of Money Market Pension Mutual Funds**

In November, the Association conveyed to the Capital Markets Board of Türkiye (CMB) one TCMA-member's suggestion for extending the weighted average maturity of the portfolio to 60 days, which is limited to 45 days, in the Money Market Pension Mutual Funds.

### **Draft Guidelines Setting Out the Valuation Principles for Capital Market Instruments in Fund Portfolios**

Upon the delegation of the Capital Markets Board of Türkiye (CMB), a working group has been established at the Association for setting the valuation principles for various debt instruments included in the mutual funds portfolio which are not clearly regulated by the legislation with the aim of ensuring uniformity in practice across the sector. With the contributions of the working group consisting of our asset manager and asset custodian members, İstanbul Settlement and Custody Bank (Takasbank) and Borsa İstanbul representatives, the draft Guidelines on Valuation Principles for Assets in the Portfolios of Collective Investment Schemes have been prepared and circulated for feedback and comments from the market in December.

### **TCMA Guidelines for Net Asset Value and Asset Value Tables for Real Estate Investment Trusts**

The TCMA Guidelines for REIT Net Asset Value and Asset Value Tables (the Guidelines) were published and enforced on 01 August 2022 with the number 2022/3277. The Guidelines deal with the public disclosure of net asset value and asset value tables of Real Estate Investment Trusts (REIT) traded on Borsa İstanbul Equity Market under the related operating permission of the Capital Markets Board of Türkiye (CMB).

The Guidelines are intended to allow individual and institutional investors to make a more objective and effective

assessment about the REITs traded on Borsa İstanbul Equity Market when making an investment decision with a uniform and easy-to-understand reporting; to subject the assets in REITs' portfolio to a standard classification thus ensuring objective and complete reporting for the sector, and letting the said reports provide data for discount and premium calculations of the sector and REITs as well as for the generation of new indices in which mutual funds can invest.

Implementation Principles for TCMA Guidelines for REIT Net Asset Value and Asset Value Tables were published on 03 August 2022 with the number 2022/3285. In addition, frequently asked questions were compiled based on the questions received from our members.

## PROFESSIONAL COMMITTEES



## PROFESSIONAL ADVISORY

PROFESSIONAL COMMITTEES ACT AS THE ADVISORY UNIT OF **THE ASSOCIATION'S BOARD OF DIRECTORS.**

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

- Brokerage Firms Professional Committee,
- Banks Professional Committee,
- Asset Management Companies Professional Committee,
- Investment Trusts Professional Committee.

Acting as an advisory unit for the Association's Board of Directors, professional committees have been set up to form and submit joint opinions and suggestions on topics in their respective fields assigned to them by the Board of Directors or determined thereby sua sponte, collaborating with other committees as necessary.

Terms of office of Committee members are commensurate with those of the Board of Directors members. Committee members are elected in the first Board of Directors meeting to be held in the month following the month in which the General Meeting was held at which the Association's bodies are elected. The

terms of office of the existing members of Professional committees expired at the General Meeting in which elections were made to the Association's bodies.

Applications were received by the Association for the re-election of Committee members. Based on the Board of Directors decision dated 28 July 2022, permanent and substitute members were elected to the:

- Brokerage Firms Professional Committee,
- Banks Professional Committee,
- Asset Management Companies Professional Committee,
- Investment Trusts Professional Committee.

as per the "Establishment and Operating Procedures and Principles for TCMA Professional Committees" approved by the Association's Board of Directors.

During the reporting period, professional committees worked on topics that concern their respective groups, and presented their feedbacks and suggestions to the Association's Board of Directors.

### Borsa İstanbul Advisory Committee

It has been decided to establish an Advisory Committee under Borsa İstanbul to keep Borsa İstanbul Board of Directors informed about the development of capital markets and the sector's issues, demands and needs, and to adopt advisory decisions. Under the Advisory Committee's Operating Procedures and Principles Guidelines, the Committee was formed of the Association's Chairperson and two members elected by the Association from amongst its Board of Directors members. The Committee was composed in a manner providing the representation of a brokerage firm, a bank and an asset management company.

In the Advisory Committee, our Association is represented by:

- İbrahim H. Öztop (Chairperson of the Association's Board of Directors)
- Selim Yazıcı (Vice Chairperson of the Association's Board of Directors)
- Alim Telci (Member of the Association's Board of Directors)

# RESEARCH AND PUBLICATIONS

## KEEPING THE PUBLIC INFORMED



**WE ARE SHARING OUR PUBLICATIONS IN ENGLISH AND TURKISH WITH LARGE AUDIENCES IN ORDER TO INFORM THE PUBLIC ABOUT FINANCIAL DATA AND ANALYSIS, DEVELOPMENTS AND REGULATIONS IN THE MARKET.**

### **Turkish Capital Markets 2021 Report**

The 2021 issue of our report published annually since 2002, "Turkish Capital Markets" was released in May 2022. The report addresses a historic analysis of the Turkish capital markets, changes in investor preferences and the global as well as domestic macroeconomic developments.

### **Monthly Magazine**

Aiming to communicate the new practices and developments in the sector, the monthly Gündem magazine covers news about member firms and the sector, as well as the activities of the Association. The magazine that continues to be published digitally on the TCMA web site includes summary financial market data compiled by the Association.

### **Quarterly Journal**

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

2022 issues of the journal analyzed the data on brokerage and asset management companies compiled by the Association and also featured articles on the topics below:

- Severance Pay Programs around the World
- Policies to promote the Development of the Bond
- Corporate Employees in the World

- Quantum Revolution in the Financial Markets
- Sustainable Capital Markets in Emerging Countries
- Stewardship in Asset Management
- Determining Compliance with Sustainability Principles in the Capital Market
- Machine Learning Algorithms in the Capital Market
- Space Economy

### **Handbook of the Turkish Capital Markets**

Providing an overview of the institutions operating in the Turkish capital market and the overall structure of the sector, the "Handbook of the Turkish Capital Markets" in English was updated and released in March.

### **Turkish Capital Markets Review**

Analyzing the developments in the capital markets and the brokerage industry during 2021, titled "Turkish Capital Markets 2021 Annual Review" was published in English in June 2022.

### **Journal of Capital Markets Studies**

Three new issues of the sixth volume of the Journal of Capital Market Studies, the international peer-reviewed journal that the Association has been publishing since 2017 to support scientific research in the sector, were released. In 2022, the first issue of the sixth volume of our journal was released in January, and the second and third issues in April and October, respectively. Published in cooperation with Emerald Publishing Group, a leading publishing house in its field in the world, the journal is featured in more than 10 indices and databases, including EBSCO Discovery, EconLit and ERIH PLUS.



# DATA

## SECTORAL OVERVIEW



**WE CONTINUED TO RELEASE THE DATA WE COMPILE ABOUT OUR MEMBERS AND DATA PROVIDING AN OVERVIEW OF THE SECTOR.**

### Periodic Data

Compiling various operational and financial data from brokerage firms and asset management companies ever since its establishment, the Association publishes the aggregate financial statements and operational data of brokerage firms and asset management companies, and comparative data on brokerage firms and asset management companies on its website.

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

### Sectoral Data

Summary data about our sector and members compiled from various resources are published under the "Data Bank" section on our website every month.

The presentations in Turkish and English where general information about our industry is provided are also updated on our website quarterly.

### Venture Capital Investments

Upon Capital Markets Board of Türkiye (CMB)'s demand, our Association compiled comprehensive quarterly data starting from year-end 2020 on venture capital mutual funds and venture capital investments of public and non-public venture capital investment companies. The said data were shared with the CMB. Data on venture capital investments are also posted on our website.

## INTERNATIONAL RELATIONS



## REPRESENTING OUR COUNTRY

### Online Meeting on “Opportunities in the Turkish Capital Markets”

In March, an online meeting was co-organized by the Association and Dubai International Financial Center to brief institutional/individual investors based in the United Arab Emirates about the Turkish capital market. In the meeting, a presentation on the Turkish economy was made to investors considering investing in Türkiye, and information was offered about the activities of the Borsa İstanbul Group. Other topics addressed in the meeting included the services rendered by the intermediary institutions and asset management sector, and details about the tax regime applicable to foreign investors.

### ICSA Working Report on Sustainability Regulations in the Capital Markets in Emerging Countries

The Annual General Meeting of the International Council of Securities Associations (ICSA) convened on 23 May 2022. The first physical one in the aftermath of the pandemic, the meeting was hosted in Washington by the US-based Securities Industry and Financial Markets Association (SIFMA).

Last year, our Association had taken over the role of the Chair of the Emerging Markets Committee of ICSA. In this framework, a comprehensive questionnaire study was conducted before the committee member associations regarding sustainability regulations in Brazilian, Indian, Korean, Mexican, Taiwanese, Thai and Turkish capital markets, the initiatives of associations, exchanges and other stakeholders in this field, and the market structure. The Association compiled the results from the questionnaire in a report, which was shared with member associations and presented in the Annual General Meeting.

### Kazakhstan Stock Exchange Visits TCMA

Kazakhstan Stock Exchange representatives paid a visit to our Association on 26 August 2022. Opinions about the Turkish and Kazakh capital markets were exchanged with Kazakhstan Stock Exchange representatives, and potential cooperation areas between the two institutions were discussed.

**WE HAVE EXCHANGED OPINIONS WITH INTERNATIONAL AGENCIES TO KEEP A CLOSE EYE ON THE DEVELOPMENTS WITH A POTENTIAL IMPACT ON OUR SECTOR AND TO REPRESENT OUR COUNTRY.**

## INVESTOR EDUCATION

# FINANCIAL EDUCATION



RECOGNIZING THE CONTRIBUTION OF FINANCIAL EDUCATION TO THE ADVANCEMENT OF OUR COUNTRY, **WE KEPT FOCUSING ON OUR INITIATIVES IN THIS AREA.**

### Agenda in Capital Markets Program

Initiated in the second half of 2021 with the aim of reaching investors and providing them with the correct information, "Agenda in Capital Markets" program continued in the first half of 2022.

In the program broadcast once a week on a TV channel, the following topics were discussed with guests specialized in their respective fields:

- Product Diversity in Capital Markets
- Impacts of the Pandemic on Financial Markets
- Issuance of Asset-Backed Securities



Agenda in Capital Markets Program

- Sustainable Banking
- New Generation Startup Ecosystem
- Digitalization in Capital Markets
- Important Considerations in Asset Management for Investors
- Contribution of IPOs to Capital Markets

The recordings of the aired programs can be found on the TCMA YouTube channel.

### Golden Egg University Goer Fund Basket Contest

"Golden Egg University Goer Fund Basket Contest" initiated jointly by



Golden Egg University Goer Fund Basket Contest

our Association, İstanbul Settlement and Custody Bank (Takasbank) and Turkish Institutional Investment Managers' Association for promoting long-term saving up and investing among university goer youth took place between 18 April –30 November 2022. 1,228 university students from 159 universities took part in the contest.

In the contest, university students managed their portfolios created on the virtual environment. At the end of the contest held in three different categories, contestants managed a virtual budget worth TL 1 million in total and two contestants generating the highest portfolio return in each category won cash prizes. Out of six contestants in total that received cash prizes, winners in each category won TL 15,000, whereas finalists each won TL 12,000. At the conclusion of the contest, total prize money given to the students that best managed their portfolios amounted to TL 81,000.

### 8th Camera in Your Hand, Future in Your Pocket Short Film Contest

Organized for raising awareness of the importance of budget, saving up and investing in capital markets, and ensuring financial literacy consciousness in our country, the eighth Camera in Your Hand, Future in Your

Pocket short film contest took place between 23 June – 26 December 2022.

Under its new format introduced in 2022, last year's contest required script writing as the first step, followed by filming upon evaluation of scripts. 78 entries in total were submitted to the contest from all regions of Türkiye.

The contestants who successfully passed the script writing phase got together with the main jury panels of the contest in a workshop titled "Movie Elements". While the contestants placed in the top three won cash prizes of TL 25,000, TL 20,000 and TL 15,000 respectively, the contestant in the fourth place received TL 10,000 as Cüneyt Cebenoyan Special Jury Award.

### South Career Fair

The South Career Fair was hosted by Süleyman Demirel University (SDU) on 18 & 19 March 2022 and organized in cooperation with 15 universities at SDU Eastern Campus Atatürk Sports Hall. The Association briefed the visitors about the capital market instruments and career opportunities in the capital market at its stand set up at the fair. A knowledge contest was held at the stand where participants were asked questions about the capital market. Books were given as a prize to 25 students who gave the correct answers

to the questions. In addition, in a draw made from amongst the visitors to our stand, 25 students won free-of-charge attendance to our 1-day online training programs.

At the event planned at the SDI Faculty of Economics and Administrative Sciences Zambak Conference Hall on 18 March 2022, "Digital Transformation in the Finance Sector and Jobs of the Future" were addressed.

The event followed by more than 200 students concluded with a Q&A session. The first 10 students who asked questions at the end of the event received 1-day online training program as a gift. Number of students who attended the fair in two days totaled 35,000.

### Aegean Career Fair

Hosted by the Ege University, Aegean Career Fair was organized on 21 & 22 March 2022 at İzmir International Fairground. The Association briefed the visitors about the capital market instruments and career opportunities in the capital market at its stand set up at the fair.

A knowledge contest was held at the stand where participants were asked questions about the capital market. Books were given as a prize to 25



8th Camera in Your Hand, Future in Your Pocket Short Film Contest

## INVESTOR EDUCATION

students who gave the correct answers to the questions. In addition, in a draw made from amongst the visitors to our stand, 125 students won free-of-charge attendance to our 1-day online training programs. More than 70,000 students visited the fair in two days.

### **Western Black Sea Career Fair**

Hosted by Bolu Abant İzzet Baysal University, Western Black Sea Career Fair was organized on 25 & 26 March 2022 in cooperation with 15 universities at the Convention Hall, Cultural Center and Gymnasium in the University. "Digital Transformation in the Finance Sector and Jobs of the Future" were addressed in the session held on 26 March 2022 about "Financial Markets and Financial Technology". More than 35,000 students visited the fair venue in two days.

### **Uşak University Finance Summit**

Uşak University Faculty of Applied Sciences Department of Finance and Banking and Exchange Market Finance Community co-organized the "IV<sup>th</sup> Finance Summit – Digitalization and Current Dynamics in Capital Market Institutions" on 12 April 2022. Besides the Association, representatives from the Central Securities Depository (MKK) and Turkish Appraisers Association attended the summit, which was participated by 250 students. The event concluded with a Q&A session.

### **Invitation by Manisa Celal Bayar University Faculty of Economics and Administrative Sciences**

"Career Pathways in the Finance Sector" was tackled in the online talk held on 5 May 2022 which was followed by students from Manisa Celal Bayar University Faculty of Economics and Administrative Sciences.

During the talk, the positive effect of internship during university years upon the profession selection when determining the career pathway and their importance in job applications were mentioned, and important considerations in job applications and application methods were dwelled on. Furthermore, information was provided about new jobs emerging with digital transformation and new recruitment methods arising in connection therewith. Attended by over 100 students, the event concluded with a Q&A session.

### **Invitation by İstanbul Gedik University Gedik Vocational School**

In the online talk held on 10 May 2022 which was followed by students from İstanbul Gedik University Gedik Vocational School Banking and Insurance and Foreign Trade departments, "Capital Markets in Investments and Finance" topic was addressed. Attended by 70 students, the event concluded with a Q&A session..

### **Invitation by Balıkesir University Faculty of Applied Sciences**

Our Association was also invited to the seminar titled "Investment and Career Opportunities in the Capital Market" which was coordinated by Balıkesir University Burhaniye Faculty of Applied Sciences Department of Finance and Banking held face-to-face on 12 May 2022.

At the event held in Şehit Savcı Mehmet Selim Kiraz Conference Hall, information was given about the operation of capital markets, fundamental rules to be watched while investing, long-term investing in capital market instruments, the importance of selecting shares with high dividend yield when creating a portfolio, the impact of

license certificates in employment and career with capital market institutions, and career planning.

Furthermore, information that will shed light on students' career pathways was offered about the future financial markets in connection with the digital transformation in the finance sector, latest developments in financial technologies, and professions that will vanish in the near future for having lost significance and professions that will soon be trendy. The event was followed up with interest by 160 participants.

### **Invitation by Yeditepe University Faculty of Commercial Sciences**

A talk titled "Investing and Careers in Capital Market" was held on 25 May 2022. Following a brief introduction to the capital market, important considerations while making investments were tackled, and the four pillars of investment, namely theory, history, psychology and practice, were explained with examples. In the event that was followed by 70 students, the professions that will vanish and the ones that will trend in the near future were addressed.

### **Uşak University Faculty of Applied Sciences Visit to TCMA**

Uşak University Faculty of Applied Sciences Department of Finance and Banking organized a technical trip to İstanbul on 3 June 2022 for familiarizing the students with capital market institutions. The trip was participated by 27 students and 2 faculty members.

In the morning session of the program, visits were paid to Borsa İstanbul, İstanbul Settlement and Custody Bank (Takasbank) and Central Securities Depository (MKK) and information was received about the activities of respective institutions. The afternoon

session covered visits to the Association, Ziraat Investment and Yapı Kredi Invest.

#### **Süleyman Demirel University Faculty of Economics and Administrative Sciences Visit to TCMA**

The students who visited our Association on 30 November 2022 were briefed about "Digital Transformation in the Finance Sector and Jobs of the Future". 20 participants took part in the event that concluded with a Q&A session.

#### **Invitation by Karadeniz Technical University Faculty of Economics and Administrative Sciences**

A seminar titled "Innovations and New Career Opportunities in the Finance World" was held on 8 December 2022. Participated also by faculty members, the seminar concluded with a Q&A session. 150 students attended the seminar.



Uşak University Faculty of Applied Sciences Department of Finance Visit

#### **Invitation by Yıldız Technical University Faculty of Engineering**

"Trends and Careers in the Capital Market" seminar took place on 23 December 2022 for the Industrial Engineering students of the Faculty of Engineering at Yıldız Technical University Beşiktaş Auditorium. 200 students attended the seminar who showed great interest in the topic as evidenced by their questions.

#### **Invitation by Gaziantep University Faculty of Economics and Administrative Sciences**

"Trends and Careers in the Capital Market" panel was held on 28 December 2022 at the Faculty of Engineering Conference Hall. Participated also by faculty members, the panel concluded with a Q&A session. 250 students attended the panel.



Invitation by Gaziantep University Faculty of Economics and Administrative Sciences

#### **Invitation by Hasan Kalyoncu University, Faculty of Economic, Administrative and Social Sciences**

"Trends and Careers in the Capital Market" panel held on 28 December 2022 attracted interest from faculty members as well. Having concluded with a Q&A session, the event was attended by 50 students.

#### **TCMA Education and Career Program for University Students**

The Association conducted a free-of-charge education and career program on 28 and 29 December 2022 for helping university students with their career choices, familiarize them with capital markets, and support their knowledge and skills in professional and personal development topics.

The topics addressed in the program were "Capital Market Legislation", "Main Principles of Investing", "Talent and Career Management", and "The Future of Digital Finance". Attended by 50 students, the program concluded with a Q&A session.



Invitation by Hasan Kalyoncu University, Faculty of Economic, Administrative and Social Sciences

## INVESTOR EDUCATION

### Participation in University Career Fairs/Free-of-Charge Information Seminars/Webinars

Rank	Dates	University	Participants
1	18-19 March	South Career Fair (Süleyman Demirel University)	35,000
2	21-22 March	Aegean Career Fair (Ege University)	70,000
3	25-26 March	Western Black Sea Career Fair (Bolu Abant İzzet Baysal University)	35,000
4	12 April	Uşak University	250
5	5 May	Manisa Celal Bayar University	100
6	10 May	İstanbul Gedik University	70
7	12 May	Balıkesir University	160
8	25 May	Yeditepe University	70
9	3 June	Uşak University	29
10	30 November	Süleyman Demirel University	20
11	8 December	Karadeniz Technical University	150
12	23 December	Yıldız Technical University	200
13	28 December	Gaziantep University	250
14	28 December	Hasan Kalyoncu University	50
<b>TOTAL</b>			<b>141,349</b>

### Participation in University Seminars (2011-2022)

Years	Number of Universities	Number of Participants
2011	39	10,000
2012	21	5,000
2013	20	5,000
2014	21	5,000
2015	15	4,500
2016	10	4,000
2017	13	4,500
2018	10	2,600
2019	61	27,030
2020	60	51,790
2021	9	970
2022	60	141,349
<b>Total</b>	<b>308</b>	<b>261,739</b>

## MEETINGS AND EVENTS



## EDUCATIONAL ACTIVITIES

### Consultation Meeting for Strengthening Capital Markets

The consultation meeting coordinated by the Republic of Türkiye Ministry of Treasury and Finance took place on 28 January 2022 and was participated by representatives from the Presidency of the Republic of Türkiye Finance Office, Presidency of the Republic of Türkiye Investment Office, Republic of Türkiye Revenue Administration, Capital Markets Board of Türkiye (CMB), Banking Regulation and Supervision Agency (BRSA), Insurance and Pension Regulation and Supervision Agency (SEDDK), Borsa İstanbul, Türkiye Menkul Kıymetleştireme A.Ş., Banks Association of Türkiye, Participation Banks Association of Türkiye, Insurance Association of Türkiye, The Turkish Appraisers Association (TDUB), and Turkish Institutional Investment Managers' Association. At the broadly-participated meeting, the Association presented its opinions and suggestions for strengthening the capital market.

Following the meeting, our opinions and suggestions regarding Income Tax, Corporation Tax, Banking and Insurance Transaction Tax and Value Added Tax regulations to contribute to increasing the international competitive strength of the country's capital market and intermediation sector were presented in writing to the Republic of Türkiye Ministry of Treasury and Finance Revenue Administration.

### Meeting on Strengthening the Technological System Infrastructures of Intermediary Institutions

A meeting was held with the General Managers of our intermediary institution members to exchange opinions regarding the strengthening and upgrading of technological system infrastructures of our intermediary institutions and of the software, programs they use.

### 22nd Ordinary General Meeting

The 22nd Ordinary General Meeting of the Association was held in İstanbul on

WE SHED LIGHT ON THE SECTOR'S FUTURE WITH EDUCATIONAL AND **DEVELOPMENTAL ACTIVITIES INCLUDING MEETINGS, SEMINARS, CONFERENCES AND PANELS AIMED AT BRINGING OUR INSTITUTIONS TOGETHER AND RESPONDING TO THEIR DEMANDS.**

## MEETINGS AND EVENTS

24 May 2022. Opened with the inaugural speeches of Republic of Türkiye Deputy Minister of Treasury and Finance Murat Zaman, the Capital Markets Board of Türkiye (CMB) Chairperson İbrahim Ömer Gönül, and the Association's Chairperson İbrahim H. Öztop, the meeting was attended by a large number of market professionals.

At the Board of Directors meeting held after the elections, Development and Investment Bank of Türkiye CEO and Board Member İbrahim H. Öztop has been re-elected as the Chairperson of the Association's Board of Directors for 2022 – 2024 term. At the Association's Board of Directors meeting, it was decided that TEB Investment General Manager Mustafa Selim Yazıcı will carry on in his role as Vice Chairperson in the new term.

### 7<sup>th</sup> TCMA Golden Bull Awards Ceremony

TCMA Golden Bull Awards Ceremony, which was made into an annual event by the Association with the purpose of contributing to the flourishing of capital markets and their recognition, was held for the seventh time on 24 May 2022. 19 institutions claimed awards under five categories with their successful performances at the capital market awards.

### Pension Mutual Funds Workshop

Held in İstanbul on 17 September 2022 and hosted by the Insurance and Pension Regulation and Supervision Agency, Pension Mutual Funds Workshop was chaired by the Republic of Türkiye Deputy Minister of Treasury and Finance Murat Zaman and attended by senior executives from the Capital Markets Board of Türkiye (CMB), Insurance Association of Türkiye,

Pension Monitoring Center and our Association, and market professionals. In the workshop, suggestions for driving the development of the PPS ecosystem were discussed in detail.

### Capital Markets Common Sense Meeting

Organized by the Association and attended by all capital market actors, the 'Capital Markets Common Sense Meeting' was held in Abant between 30 September - 2 October 2022. In the 'Capital Markets Common Sense Meeting' opened with the inaugural speeches of the Republic of Türkiye Deputy Minister of Treasury and Finance Murat Zaman, Capital Markets Board of Türkiye Chair İbrahim Ömer Gönül, Borsa İstanbul CEO and Board Member Korkmaz Ergun and TCMA Chairperson İbrahim H. Öztop, and having secured broad participation by the executives of capital market companies, the roadmap for the capital markets was set.



22<sup>nd</sup> Ordinary General Meeting



7<sup>th</sup> TCMA Golden Bull Awards Ceremony



Capital Markets Common Sense Meeting

The group works carried out in the first day of the two-day event served to manifest the problems and targets of the capital markets, while the second day was dedicated to identification of the next steps, roadmap, and actions to be taken for increasing the depth and development of the capital markets in terms of main headings.

### 6th World Investor Week Events

Organized by the International Organization of Securities Commissions (IOSCO) in cooperation with the Capital Markets Board of Türkiye (CMB), Borsa İstanbul and our Association, the 6th World Investor Week was held between 3-7 October 2022. Celebrated also this year with a series of online events. The sessions of the 6th World Investor Week attracted intensive interest. 100 subject matter experts, market professionals

and academics were featured in 20 different sessions in total during the event.

The World Investor Week was inaugurated with the Gong Ceremony on 3 October at Borsa İstanbul, and featured online sessions in which leading subject matter experts addressed various topics including sustainable finance enabled by the capital markets, crowdfunding investments, digital intermediary associations, investor decisions from the standpoint of behavioral finance, technology and algorithmic transactions in capital markets, the four pillars of investing, IPO price setting report, GHG emissions measurement and reporting, the future of the expertise in sustainability as a profession, individual and institutional carbon footprint calculation, agricultural commodity

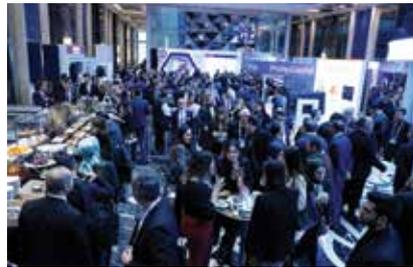
markets, investing in lease certificates and real estate investing through capital markets. Held online and addressing the real sector companies, startups, individual and institutional investors, and university students, the event reached 16,624 views in total.

The event also covered virtual stands and virtual museums specifically designed for the World Investor Week for visitation by the participants, which attracted a total of 9,461 visitors during the event.

Participants who followed the sessions, and visited the virtual museums and virtual stands collected bonus points which were converted into 725 gifts.

### 6th Turkish Capital Markets Summit

The sixth edition of the Turkish Capital Markets Summit was held



6th Turkish Capital Markets Summit

## MEETINGS AND EVENTS

on 01 December 2022 by the Turkish Capital Markets Association with the support of the Republic of Türkiye Ministry of Treasury and Finance, and the Capital Markets Board of Türkiye (CMB), and with Borsa İstanbul Group as the main sponsor.

Having achieved its first “carbon-neutral” edition this year, the Summit was attended by approximately 2,000 physical participants consisting of professionals from finance and many other sectors, as well as from the capital markets, policymakers, national and foreign experts, academics, students and investors, and was also followed up by nearly 72,800 people through various online platforms. The training programs within the scope of the Summit was participated by 800 people comprised mainly of individual investors. The event was also supported by 63 institutions and three communication partners.

The three main topics of “The Future of the Economy and Capital Markets”, “The Future of Sustainable Finance” and “The Future of Digital Finance” were addressed within the scope of 15 panels and 15 training programs/workshops.

Furthermore, the participants were briefed about “What is NFT?”, “How is NFT Designed” in the workshop titled Design Process in Generative NFT Collection Creation and NFT Creation-Gamification with NFT. The workshop was followed by the creation of the Summit’s main NFT, which was defined to NFT wallet accounts of the participants that took part in the workshop.

### **Media Coverage of The Summit**

As a result of communication activities about the Summit, 95 news articles appeared in the press, 120 in regional and local TV broadcasts in total including 17 national ones, and 1,125 on online media, which reached a total number of above 50 million viewings. Printed, visual and online news articles reached a total interaction figure of 24 million 127 thousand 444.

A comprehensive publicity campaign was carried out for the Summit also on digital media channels besides conventional media activities. Communication campaigns about the Summit were run on mass transportation vehicles and outdoor displays.

### **Social Network Coverage of the Summit**

Watched by approximately 72,800 people on online platforms, the Summit’s Instagram and Facebook pages reached 489,130 hits in total, and the number of views on LinkedIn reached 91,772.

### **15,000 Seed Ball Shoots Made**

A total of 15,000 seed ball shoots were made in hard-to-reach areas with unmanned drones in the name of each Summit participant and panelist as part of the social responsibility project. Furthermore, 2,000 ecoBoxes (mini metal pot, sewing instructions, sap capsule, soil pack, portable craft box, seed tracking QR code card) were distributed to the guests who physically attended the Summit day.

### **24th Extraordinary General Meeting**

The 24th Extraordinary General Meeting of the Association took place on 8 December 2022 electronically via the e-General Meeting System. Opened by the inaugural speeches of the Capital Markets Board of Türkiye (CMB) Chair İbrahim Ömer Gönül, Borsa İstanbul CEO Korkmaz Ergun and TCMA Chairpersons İbrahim H. Öztop, the meeting was



24<sup>th</sup> Extraordinary General Meeting



attended by the Turkish Capital Markets Association Board of Directors and members.

In the 24th Extraordinary General Meeting held via the e-General Meeting System, the year 2022 was reviewed and agenda items concerning 2023 budget and membership dues and expense payments were discussed.

### **Financial Literacy Training Portal Workshop**

Republic of Türkiye Ministry of Treasury and Finance organized a workshop on 3 December 2022 regarding the creation of a financial literacy training portal.

Training, animated film, video and document contents on the Financial Literacy Training Portal were classified into three levels: beginner, intermediate and advanced. The target audience of the contents to be uploaded on the portal were defined as children, university-aged youth, professional employees and financial consumers.

Based on the decision passed at the end of the workshop, the regulatory

authorities of the Banking Regulation and Supervision Agency (BRSA), Capital Markets Board of Türkiye (CMB), and Insurance and Pension Regulation and Supervision Agency were demanded to check the data they will receive from professional organizations affiliated to them, from the Banks Association of Türkiye, Participation Banks Association of Türkiye, Turkish Capital Markets Association, Insurance Association of Türkiye, Association of Financial Institutions, The Payment and Electronic Money Institutions Association of Türkiye, Borsa İstanbul and Capital Markets Licensing Registration and Training Agency, and share the same with the Ministry.

The reports about the workshop contents will be consolidated by the Directorate General of Economic Programs and Research. Reporting for the Information Technology, on the other hand, will be handled by the Republic of Türkiye Ministry of Treasury and Finance, Directorate General of Information Technology.

### **MASAK Workshop**

At the request of the Financial Crimes Investigation Board (MASAK), a workshop was held for our members on 22 December 2022 which was attended also by MASAK representatives.

The topics addressed in the workshop included the following:

- Problems Encountered in Suspicious Transactions Reporting (MASAK)
- Postponement of Transactions (MASAK) – Enforcement of Asset Freeze Decisions and Auditing Compliance with Financial Sanctions 2022 Risk-Based Targeted Financial Sanctions Risk Analysis (MASAK)
- Regulatory Changes (Implementation Guide for Public Influencers) and New Developments Emerging in Relation to Obligations (MASAK).

Attended by 130 participants, the Workshop ended with a Q&A session.



MASAK Workshop

# Abet Inan

*Sociologist, Historian and Academic. One of the  
first history professors of the Turkish Republic.*



## TRAINING

# RAISING AWARENESS



IN 2022, ONLINE TRAINING PROGRAMS CONTINUED TO BE ORGANIZED WITH THE AIM OF HELPING THE CAPITAL MARKET SECTOR GROW AND CONTRIBUTING TO THE DEVELOPMENT OF MARKET PROFESSIONALS. **ADDITIONALLY, FREE-OF-CHARGE WEBINARS WERE ORGANIZED FOR THE CAPITAL MARKET INDUSTRY AND THE REAL SECTOR. ONLINE AND PHYSICAL INFORMATIONAL WEBINARS WERE CARRIED OUT TO RAISE INCREASED AWARENESS OF UNIVERSITY STUDENTS AND CONTRIBUTE TO THE EMPLOYMENT OF QUALIFIED PERSONNEL.**

### Licensing Exam Preparation Programs

The Capital Markets Licensing Registration and Training Agency (CMLTA) held the last one of the class-based exams on 2-3 July 2022.

As part of the electronic licensing exams administered by SPL, electronic exam centers set up in Ankara, İzmir, Gaziantep, Antalya, Samsun and Erzurum provinces besides in İstanbul give reach to all regions of our country and enable servicing candidates everywhere.

Based on the SPL announcement concerning licensing exams, the sector was informed that the electronic exam centers set up in all regions of our country allow candidates to take the exam in the region of their choice depending on the calendar and time they determine themselves, and that

electronic exam centers can be set up in different provinces in the future depending on emerging needs. They were informed that from 2023 onwards, licensing exams can be organized only at electronic exam centers and no more class-based exams will be given.

In 2022, the Association organized company-specific online training programs. Demands for training programs concentrated mostly in the topics covered by Capital Market Activities Level 1, Level 3, and Derivatives exams.

Eight programs were held online in 2022 within the scope of company-specific (closed) training programs organized at our members' request.

## Professional Development Programs

The professional development training organized in 2022 covered programs in financial technologies, technical analysis, digitalization, economy, finance, appraisal, accounting and investment products and the like. The training programs were attended by the manufacturing industry employees, as well as bank, brokerage firm and asset management company employees. A total of 754 participants attended 31 company-specific and public courses held in 2022.

Licensing and Professional Development Trainings in 2022		
	Number of Trainings	Number of Participants
Licensing and Professional Development Trainings	39	914

### Sustainability Expertise Certificate Programme

Businesses and governments take on increased responsibility as people become more conscious of climate change, resource scarcity, environmental pollution and social injustice. Businesses set up sustainability offices and employ sustainability experts in line with these necessities. Addressing sustainability merely with respect to resource consumption and environmental management aspects is a restrained approach. Organizations need experts

that will help them tackle economic and social aspects of this field. This program was co-developed by the Association and Sustainable Learning Development and Excellence Association (SEGM) with the aim of training competent, professional experts equipped with the necessary skills to fulfill this need.

The certification program seeks to provide the participants with well-based information on the main aspects of sustainability, and to acquaint them with the role of the sustainability concept and unit within an organizational structure, sustainability standards

and other associated guidelines, the UN Sustainable Development Goals (SDGs) and the UN Global Compact. The program also seeks to be instrumental in letting participants explore their individual, organizational and social sustainability perspectives, to become familiar with reporting techniques, and to acquire the skills (continuous improvement approach, problem analysis and solution techniques, teamwork, relationship management, measurement and analysis skills, reporting techniques, etc.) they will need when functioning in their role within their organizations.

213 people took part in nine certification programs carried out in 2022.

2022 Expertise in Sustainability Certification Programs	
	Number of Participants
28 September 2021 - 13 January 2022	31
24 December - 4 March 2022	35
24 January - 8 April 2022	35
21 March - 17 April 2022	39
19 September - 7 December 2022	37
24 October 2022 - 9 January 2023	36
<b>TOTAL</b>	<b>213</b>

## TRAINING

### **Webinar: The Past Year in the Capital Market Legislation with Case Studies**

Organized by the Association, the webinar “The Past Year in the Capital Market Legislation with Case Studies” was held online on 28 June 2022. Moderated by Atty. İrem Cumalı from Okat Law Firm, partner at Okat Law, former chief specialist from the Capital Markets Board of Türkiye (CMB), Atty. Yalçın Özge Okat was the speaker in the webinar and discussed the major changes in the Capital Market legislation in the past one year, project-based securities, debt-based crowdfunding, collateralized issues, electronic contracts and green and sustainable borrowing instruments. Attended by 200 people, the webinar ended with a Q&A session.

### **Webinar: Corporate Threat Intelligence and Current Cyber Attacks**

Organized by the Association, the webinar on “Corporate Threat Intelligence and Current Cyber Attacks” was held on 31 August 2022. Speakers UITSEC International Chief Technology Officer Ender Gezer, CatchProbe Intelligence Officer Nickolas Micheal Smith, and CatchProbe Senior Technical Programs Officer Ömer Evren discussed “What does corporate threat mean?”, “What are current cyber attacks, which techniques are used?”, “Cyber attacks in the banking and finance industry in 2022”, “Which particular areas should be focused on for successful threat intelligence?” and “How are Social Networks, DeepWeb and DarkNet important?”. Concluded with a Q&A session, the webinar was attended by 150 people.

# INFORMATION TECHNOLOGY



## TECHNOLOGICAL TRANSFORMATION

### Document Management System

Improvements were achieved in performance and reporting through hardware and software upgrades made to the Document Management System that is used for the Association's information, document and process management needs. 3,146 new documents were added to the Document Management System during 2022, which brought the total number of documents kept on the system to 101,507 as of 31 December 2022.

### Corporate Website

The infrastructure and content of the website were regularly updated. In 2022, the website was visited by 375,974 times by users from 10 countries, namely Türkiye, United States of America, United Kingdom, the Netherlands, Finland, France, Austria, Germany, China and Canada.

### Member Management System

Updating started for transferring the modules that pertained to former UYS

versions and published via the web addresses [uys.tspb.org.tr](http://uys.tspb.org.tr), [uys2.tspb.org.tr](http://uys2.tspb.org.tr) to [uys3.tspb.org.tr](http://uys3.tspb.org.tr), the new version of the UYS Project.

### Collecting and Reporting of Leveraged Trading Transactions

Under the Capital Markets Board of Türkiye (CMB)'s Investment Services Communiqué, our Association collected the prices and the spread announced by brokerage firms for leveraged trading transactions, processed them using statistical methods and released them.

### Security Scan

The software and hardware vulnerabilities of the data center were identified based on the report that resulted from the penetration/attack tests co-executed with the data security consultancy company we have engaged. Necessary steps were taken in line with the suggested solutions devised.

BASED ON THE AWARENESS THAT TECHNOLOGICAL TRANSFORMATION IS THE KEY TO THE FUTURE, WE CLOSELY MONITORED **THE GLOBAL INNOVATIONS AND STRENGTHENED OUR INFRASTRUCTURE.**

## INFORMATION TECHNOLOGY

### Infrastructure Updates and Security

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

### Backup Internet Connection

As a result of the backup, the backup internet connection from different internet service providers come online automatically in case of an interruption in the existing internet infrastructure and secure uninterrupted internet access.

### Personnel Management System (PYS)

Measurement and reporting improvements were made in the Personnel Management System.

### Training Management System (EYS)

EYS infrastructure components were updated, upon which necessary developments were made to the software coding.

### Redmine Project Management and Issue Tracking System

Application was updated and the system was integrated with the information app.

### REIT Net Asset Value Study

Using UYS and UYS Reporter applications, REIT Net Asset Value data started to be collected and reported. The said data will be published on our corporate website in 2023.

### Data Center Relocation

Proposals were collected and evaluated for relocating the Association's data center to external data centers outside the TCMA building. The process was commenced and is slated for completion in 2023.

### Disaster Recovery Center Relocation

Positioned in İzmir location, our disaster recovery center was relocated to Ankara because the existing building in İzmir was old and damaged in the latest earthquakes.

### DDoS Protection

DDoS attack prevention service was procured from the Internet Service Provider to preclude DDoS attacks.

### BTM Outsourced System Support Service

It has been decided that outsourced support personnel that worked 3 half-days a week start working 5 full days a week due to termination of teleworking format and return to full-time office-based working.

### DLP (Data Loss/Leakage Prevention) Software

As per the "Information Systems Independent Audit Communiqué" and "Information Systems Management Communiqué" published in the Official Gazette issue 30292 dated 5 January 2018, data losses or leakages must be prevented and transferred and copied data must be logged. DLP (Data Loss/Leakage Prevention)

software prevents unwanted data exit from the systems or let us track the usage of specific files. The DLP software available on the market were looked into for use at the Association's systems, and Forcepoint DLP software was purchased and installed.

### Security Operations Center (SOC&NOC) Purchased

As per the "Information Systems Independent Audit Communiqué" and "Information Systems Management Communiqué" published in the Official Gazette issue 30292 dated 5 January 2018, experts at the Security Operations Center that work around the clock constantly analyze the log records received from the Association's sources, track the Association's network and systems 24/7 against potential threats, and report threats, if any, to the Association's IT Department. The SOC responds to any such threat and takes actions for preventing recurrence. Then, reports are prepared detailing the occurrence manner of the incident, the vulnerabilities that paved the way for the incident, and the measures taken, which are presented for the information of the Association's IT Department.

### Server Capacity Improvements

RAM and HDD capacities were increased for the servers that are being used in the Association's Data Center.

# MEDIA RELATIONS

In 2022, our Association released 22 press bulletins. During 2022, 603 news articles about the Association appeared in the press. 337 news appeared on TV while 8,331 articles were published on the Internet. Press releases issued by the Association covered by the media are posted under the "Press Room" menu on our website.

# PROMOTING THE INDUSTRY

WE REACHED LARGE AUDIENCES WITH THE MEDIA ACTIVITIES WE REALIZED FOR OUR ACTIVITIES AND **PUBLICATIONS AIMED AT INCREASING THE RECOGNITION OF OUR SECTOR.**



# MEMBERSHIPS

## DEIK

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

## ASF

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

## ICSA

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

## INFE

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

## IOSCO

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

## ISTAC

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

## Tax Council

Our Association is represented with one member on the Tax Council, which was established to provide the Republic of Türkiye Ministry of Treasury and Finance with feedback on the formulation and implementation of tax policies, and to conduct studies and research on these issues.

## Halal Accreditation Agency Advisory Board

Established in 2018, the Halal Accreditation Agency (HAK) is engaged in halal accreditation activities in Türkiye and abroad, and represents our country in halal accreditation activities on the international platforms. The Association has become a member of the Advisory Board of the Halal Accreditation Agency in 2020, which held its 3rd Annual Meeting online on 21 December.

## Impact Investing Advisory Board

Impact Investing Advisory Board (EYDK) has been established in April 2021 as a platform bringing together 30 leading organizations from the public, private and third sectors. EYDK acts with the vision of making impact investing model a mainstream, sustainable and inclusive investment option in Türkiye. Besides policy, market, communication and information development, EYDK is positioned as a supreme board representing Türkiye in the world and aims to create a national framework for impact measurement and management. The Association has become a member of the Advisory Board with the purpose of supporting impact investing activities in Türkiye.

# INVESTMENTS



## TARGETING DEVELOPMENT

### **Borsa İstanbul A.Ş.**

The Association holds 1.30% equity stake in Borsa İstanbul, corresponding to TL 5,502,042 in the company's capital of TL 423,234,000.

### **Central Securities Depository of Türkiye (MKK)**

The Association has a 5% share in the Central Securities Depository of Türkiye (MKK). Our Association holds TL 5,000,000 of the company's total capital of TL 100,000,000. The Association continued to be represented by one member on the MKK Board of Directors in 2022.

### **Capital Markets Licensing Registration and Training Agency**

The Association holds 49% share in the Capital Markets Licensing Registration and Training Agency (CMLTA). The Association holds TL 2,940,000 in the company's total capital of TL 6,000,000 and was represented by two members on the CMLTA Board of Directors in 2022.

### **Birleşik Mortgage Financing**

Birleşik İpotek Finansmanı A.Ş. (Birleşik Mortgage Financing) was incorporated

in 2020 to take over or transfer assets, the types and qualifications of which are determined by the Capital Markets Board of Türkiye (CMB), to manage the assets taken over, take assets as collateral, and to carry out capital market issues in return for these assets, as well as to undertake other activities deemed appropriate by the CMB, within the frame of housing and asset financing under the provisions of the related legislation of the CMB. The Association holds 5% share in Birleşik Mortgage Financing, corresponding to TL 2,500,000 within the company's total capital of TL 50,000,000.

### **JCR Eurasia Rating**

On 28 November 2019, a share transfer agreement has been signed for acquisition of 850,500 nominal shares representing 85.05% of the total capital in JCR Eurasia Rating in certain ratios by the institutions. Based on the said agreement, the Association has paid the amount corresponding to the price of the shares it has committed to acquire in 2020. The Association holds 6% stake in the Company's total capital of TL 30,000,000.

IN KEEPING WITH ITS GOAL OF IMPROVING THE CAPITAL MARKET, THE ASSOCIATION ACQUIRES EQUITY STAKES IN INCORPORATED **CAPITAL MARKET INSTITUTIONS AND TAKES PART IN THEIR MANAGEMENT.**

*Abife*

*Jale*

*Stage Actress. Pioneered the appearance of the women of the Republic on the theater scene. One of the iconic names of the Turkish theater.*



## OVERSIGHT AND DISPUTE RESOLUTION

### Oversight

The Association is authorized and assigned to regulate, supervise and/or enforce issues delegated to it by legislation or by the Capital Markets Board of Türkiye (CMB). In this context, various audits are conducted when necessary, and the provisions of the legislation are applied in case of noncompliance.

### Turkish Capital Markets Association (TCMA) Client Dispute Arbitration Committee

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

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

Ever since its establishment until year-end 2022, a total of 1,020 applications were received, 781 of which were submitted directly and the remaining 239 via the CMB. The table below summarizes the status of these applications:

<b>Summary of the Applications to the Arbitration Committee in 2022</b>		<b>TOTAL</b>
<b>File in Preparation</b>		<b>250</b>
<b>Under Review by the Arbitration Committee</b>		<b>62</b>
Decided		306
Decided. Unchallenged and finalized.		215
<b>Decided. Notified to the CMB due to nonconformity to the legislation</b>		<b>32</b>
Challenged		59
Decided. Referred to CMB following the challenge; pending for CMB decision.		23
Decided. Under review by the Arbitration Committee due to post-challenge CMB reversal		6
<b>Decided. Decision finalized upon post-challenge CMB approval.</b>		<b>30</b>
<b>Settled and Withdrawn</b>		<b>187</b>
<b>Rejected – Irrelevant to the Arbitration Committee’s Scope</b>		<b>215</b>
<b>TOTAL</b>		<b>1,020</b>

## APPLICATIONS FOR ACCESS TO THE INFORMATION

Under the Law on the Right to Information, the Association received a total of 18 applications for access to information during 2022. 5 of these applications were answered positively and the applicants were given access to information and documents. 11 applications were rejected, and 1 application was directed to the relevant institutions and organizations because it did not fall under the scope of the right to information. The remaining 1 application was partially answered positively and partially rejected, allowing access to information and documents.

# BOARD OF AUDITORS' REPORT

TO THE GENERAL ASSEMBLY OF THE TURKISH CAPITAL MARKETS ASSOCIATION

BOARD OF AUDITORS' REPORT

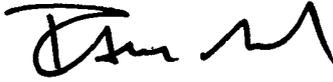
15.03.2023

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

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

We hereby present the balance sheet, income statement and final chart of accounts as well as the Auditors' Report for the year ended 31.12.2022 for your approval, and hereby recommend that the Board of Directors be acquitted from its liabilities.

## BOARD OF AUDITORS



E. Pamir KARAGÖZ

AUDITOR



Eralp ARSLANKURT

AUDITOR



Atıla YANPAR

AUDITOR



Murat ONUK

AUDITOR



Çağan ERKAN

AUDITOR

Corporal

Nezahat

*A war hero who participated in the War of Independence with her father when she was just a nine-year-old girl.*



# INDEPENDENT AUDITOR'S REPORT



(Convenience translation of independent auditor's report originally issued in Turkish)

## **ASSOCIATION OF TURKISH CAPITAL MARKETS AND ITS OPERATING ENTITY INDEPENDENT AUDITORS' REPORT FOR THE PERIOD ENDED 31.12.2022**

### **1) Opinion**

We have audited the consolidated financial statements of Association of Turkish Capital Markets and Its Operating Entity (the Association) which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated income statement for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of Association of Turkish Capital Markets and Its Operating Entity for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the balance sheet.

### **2) Basis for Opinion**

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

### **3) Emphasis of Matter – Basis of Accounting and Restriction on Use**

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

### **4) Other Matter**

The consolidated financial statements of the Association for the year ended 31.12.2022 was audited by another audit firm and the audit report dated 28.03.2022 included unqualified opinion, based on the accounting principles explained in Note 2.

### **5) Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting policies described in Note 2 to the accompanying consolidated financial statements, and for such internal control as

management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

#### 6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

İstanbul, 28.02.2023

Eren Başmısır Denetim A.Ş.  
Member Firm of Grant Thornton International



Reşit Paşa Mahallesi,  
Eski Büyükdere Caddesi,  
Park Plaza, No: 14, Kat: 10,  
34381 Sarıyer – İstanbul

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

## ASSOCIATION OF TURKISH CAPITAL MARKETS AND ITS OPERATING ENTITY

**CONSOLIDATED BALANCE SHEETS AS OF 31.12.2022**

(Currency – Turkish Lira (TL))

	Current Period	Prior Period
	Audited	Audited
<b>Assets</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Current assets:</b>		
Cash and cash equivalents	20.785.830	13.069.597
Securities	15.578.838	5.691.602
Receivables from operations	969.561	1.494.649
Prepaid expenses	776.940	390.117
Other current assets	120.756	126.705
<b>Total current assets</b>	<b>38.231.925</b>	<b>20.772.670</b>
<b>Non – current assets:</b>		
Financial investments	23.536.455	21.796.484
Property and equipment	5.757.069	4.932.079
Intangible assets	435.493	321.603
Accumulated depreciation and amortization	(6.192.562)	(5.253.682)
Other non – current assets	10.822	10.822
<b>Total non – current assets</b>	<b>23.547.277</b>	<b>21.807.306</b>
<b>Total assets</b>	<b>61.779.202</b>	<b>42.579.976</b>
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Trade payables	3.914.424	377.084
Other payables	225.085	35.901
Advances received	234.144	110.896
Taxes and other obligations	2.159.439	512.120
Deferred income and expense accruals	644.541	1.250.711
Liabilities for employees	1.580.305	688.488
<b>Total current liabilities</b>	<b>8.757.938</b>	<b>2.975.200</b>
<b>Non - current liabilities:</b>		
Reserve for employee termination benefits	6.275.037	3.501.680
<b>Total non - current liabilities</b>	<b>6.275.037</b>	<b>3.501.680</b>
<b>Total liabilities</b>	<b>15.032.975</b>	<b>6.476.880</b>
<b>Equity:</b>		
Funds	23.541.455	21.801.484
Statutory reserve	7.375.000	5.017.500
Income surplus	15.829.772	9.284.112
<b>Total equity</b>	<b>46.746.227</b>	<b>36.103.096</b>
<b>Total liabilities and equity</b>	<b>61.779.202</b>	<b>42.579.976</b>

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

## ASSOCIATION OF TURKISH CAPITAL MARKETS AND ITS OPERATING ENTITY

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
31 DECEMBER 2022**

(Currency – Turkish Lira (TL))

	<b>Current Period</b>	<b>Prior Period</b>
	<b>Audited</b>	<b>Audited</b>
	<b>01.01.- 31.12.2022</b>	<b>01.01.- 31.12.2021</b>
<b>Income</b>		
Membership fee and expense contribution from members	17.612.120	14.673.370
Other income from members	1.319.171	602.052
Operating income	1.991.247	910.104
Non-operating income	15.503.438	8.887.024
Surplus income of previous year	6.926.612	1.052.962
Other income	5.237.955	2.690.367
TCMS congress income	8.135.000	2.431.289
<b>Total income</b>	<b>56.725.543</b>	<b>31.247.168</b>
<b>Expenses</b>		
Personnel expenses	(22.081.584)	(13.994.965)
Advertisement and meeting expenses	(3.361.370)	(2.010.970)
Outsourced services	(2.361.505)	(1.260.249)
Information technology expenses	(2.450.123)	(741.720)
Membership fees expenses	(823.852)	(556.788)
Research and publication expenses	(389.189)	(246.219)
Training, courses and seminars expenses	(628.605)	(407.467)
Travel and accommodation expenses	(241.549)	(9.669)
Fixed assets and purchases expenses	(102.676)	(64.162)
Other expenses	(2.279.649)	(1.181.514)
TCMS congress expenses	(5.366.950)	(1.489.333)
<b>Total expenses</b>	<b>(40.087.052)</b>	<b>(21.963.056)</b>
<b>Income surplus</b>	<b>16.638.491</b>	<b>9.284.112</b>
<b>Provision for taxes and other legal liabilities (-)</b>	<b>(808.719)</b>	<b>--</b>
<b>Net income surplus</b>	<b>15.829.772</b>	<b>9.284.112</b>

[www.tspb.org.tr/en/](http://www.tspb.org.tr/en/)

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