



**BANKING
REGULATION AND
SUPERVISION AGENCY**

STRATEGIC PLAN 2025 - 2028

Banking Regulation and Supervision Agency

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CHAIRMAN'S MESSAGE

The financial system is undergoing a rapid and profound transformation around the world, influenced by technological advances, the transition to a sustainable economic and social system, and the diverse preferences and expectations of young generations. Digital technologies enhance efficiency and financial inclusion through new business and service models. At the same time, the sustainability perspective introduces new criteria that were not previously considered into business processes, new products, services, and applications, and the interest of young generations in digital technologies serves as a significant driving force for this change and transformation.

Concurrently, global economic and political developments, the climate crisis, and the recent increase in regional geopolitical tensions add complexity and uncertainty to the financial system environment. This underscores the significance of institutional capacities for managing rapid change and risks and necessitates adopting a culture of continuous learning and permanently updating operations, technology platforms, processes, and support systems.

In such an environment of rapid global change and uncertainty, our agency continues to steadfastly promote confidence, stability, and development in the financial system, as it has in the past. In addition to the duties and powers assigned to it by legislation, the most decisive factors in our Agency's achievements are its clear objectives, decision-making processes grounded in expertise and data, highly qualified human resources, and a working culture based on communication with its stakeholders.

The "BRSA Strategic Plan (2025-2028)" is an important opportunity for us to determine how we can best position our Agency in the upcoming period, with the guidance of our current experience and knowledge. The Strategic Plan sets out our measures and priorities to ensure more effective management of the risks and opportunities we face in the rapidly changing, complex global financial system and is based on three main objectives.

Our first strategic goal is to strengthen confidence and stability in financial markets, which is a prerequisite for the financial system to contribute to economic development and

national prosperity. By considering risks and uncertainties, our Agency will continue to strengthen its regulatory and supervisory framework aimed at protecting the financial and operational soundness of banks and non-bank financial institutions, which corresponds to approximately 80 percent of the financial system's asset size, through new tools and approaches. Among the main targets in this context are further harmonizing the regulatory framework with international standards, developing supervisory, surveillance, and implementation processes in line with new requirements and approaches, strengthening risk management policies, and enhancing cybersecurity.

Our Agency's second strategic goal for the 2025-2028 period has been identified as ensuring the inclusive and sustainable development of financial markets, while maintaining the delicate balance between financial confidence and stability, and competition and efficiency. Regarding this goal, the main topics we will focus on are the enforcement of regulations and policies required for the holistic development in potential areas, including digital finance, sustainable finance, participation finance ecosystems, and the non-bank financial sector, and increasing the analytical capacity and transparency of individual banking practices.

Our third strategic goal under the strategic plan is to strengthen our institutional capacity to increase the impact and effectiveness of our regulatory, supervisory, and implementation processes. Accordingly, with our human resources, which underpin our productivity and innovation, we aim to develop our research and monitoring capacity, to ensure the safe and effective use of information, and to further strengthen our corporate culture.

I expect that the Strategic Plan, which represents our medium and long-term perspective, will bridge the gap between our agency's current position and its vision, increase our institutional effectiveness, and ensure that our activities are carried out within the framework of our goals, targets, and priorities. I hope it will be guiding and inspiring not only for our agency but also for our financial system.



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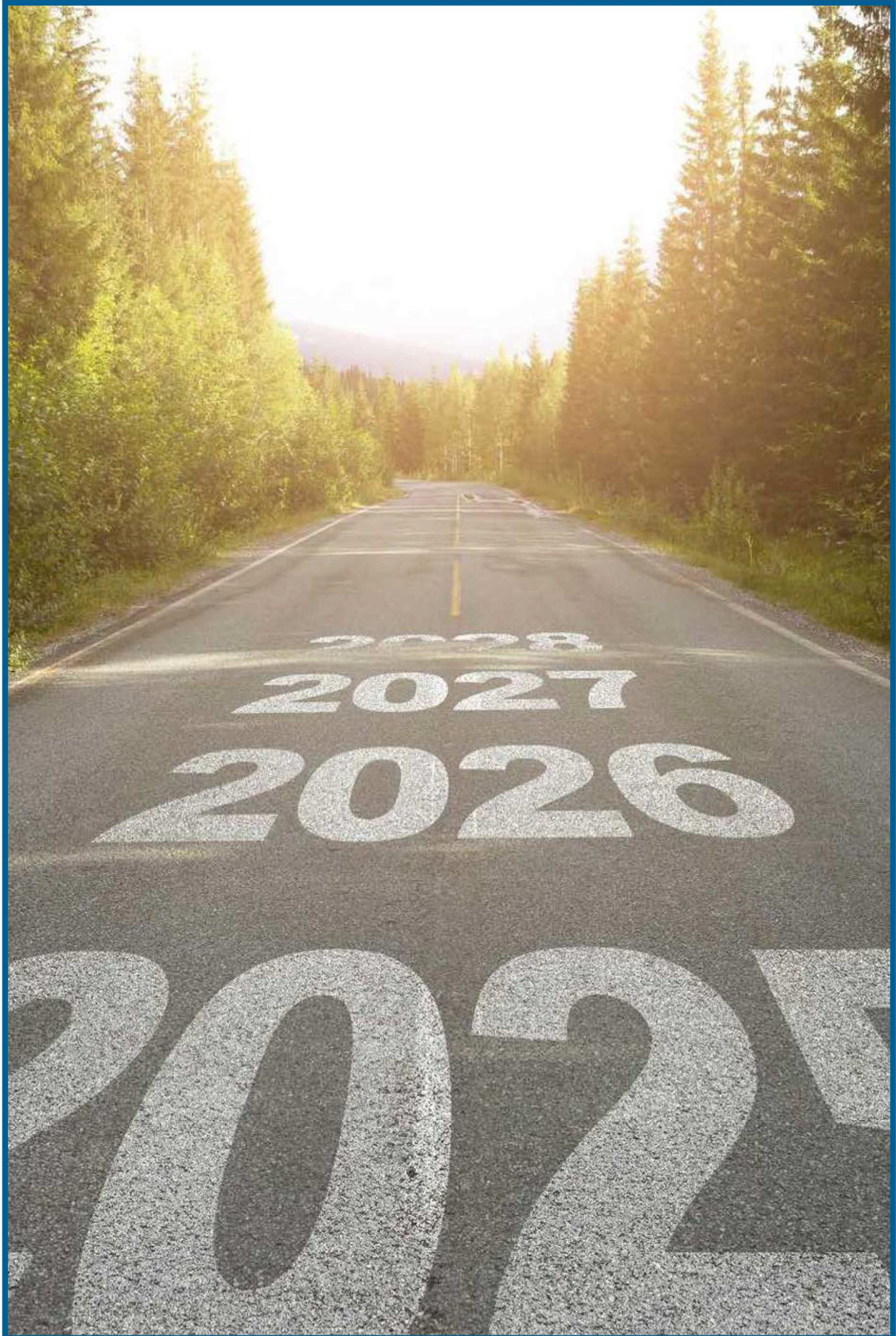
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ABBREVIATIONS

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
AFI	Alliance for Financial Inclusion
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
BIST	Borsa İstanbul A.Ş.
BRSA	Banking Regulation and Supervision Agency
BTk	Information and Communication Technologies Authority
BVTS	BRSA Data Transfer System
CBRT	Central Bank of the Republic of Türkiye
CMB	Capital Markets Board
EBA	European Banking Authority
ECB	European Central Bank
ESG	Environmental, Social and Governance
EU	European Union
FATF	Financial Action Task Force
FATSI	Physical Gold Savings System
FED	Federal Reserve
FINTECH	Financial Technology
FKB	Association of Financial Institutions
FLCRS	Financial Leasing Contract Registration System
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSC	Financial Stability Committee
FSI	Financial Stability Institute
G20	Group of 20
GAR	Green Asset Ratio
GDP	Gross domestic product
GPFI	Global Partnership for Financial Inclusion
IA	Independent Audit Association
IADI	International Association of Deposit Insurers
IAIB	International Association of Islamic Banks
IASB	International Accounting Standards Board
ICC	Interbank Card Center
IFAC	International Federation of Accountants
IFM	Istanbul International Finance Center
IFSB	Islamic Financial Services Board
IMF	International Monetary Fund
INFE	International Network on Financial Education
IOSCO	International Organization of Securities Commissions

ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
KKB	Credit Registration Bureau
MASAK	Financial Crimes Investigation Board
MFKS	Central Invoice Registration System
MTP	Medium Term Program
NBFI	Non-Bank Financial Institutions
NGFS	Network for Greening the Financial System
NPLR	Non-performing loan ratio
NSFR	Net Stable Funding Rate
OECD	Organisation for Economic Co-operation and Development
POAASA	Public Oversight, Accounting, and Auditing Standards Authority
PPSE	Public Personnel Selection Examination
RCAP	Regulatory Consistency Assessment Program
SBO	Strategy and Budget Office
SBFN	Sustainable Banking and Finance Network
SDIF	Savings Deposit Insurance Fund
SWOT	Strengths, weaknesses, opportunities and threats
TBB	Banks Association of Türkiye
TCFS	Trade Chain Financing System
TDUB	Association of Valuation Specialists of Türkiye
TIKA	Turkish Cooperation and Development Agency
TKBB	Participation Banks Association of Türkiye
TKYD	Corporate Governance Association of Türkiye
TRNC	Turkish Republic of Northern Cyprus
TURKSTAT	Turkish Statistical Institute
TURMOB	Union of Chambers of Certified Public Accountants of Türkiye
USOM	National Cyber Incidents Response Center
WB	World Bank
WTO	World Trade Organization



STRATEGIC PLAN AT A GLANCE

VISION AND MISSION

VISION

To be a model authority that conducts regulatory, supervisory, and enforcement processes for institutions and markets within its scope of mandate in a proactive and effective manner, based on information and data, in line with international standards and developments as well as national needs.

MISSION

To ensure that institutions subject to its regulations and supervision operate in a sustainable, safe, and sound manner in line with appropriate competition and efficiency conditions, to contribute to financial stability and development, and to protect the rights and interests of savers.

BASIC VALUES

PRUDENTIALITY

The Agency proactively uses the regulatory, supervisory, and implementation instruments within its authority in line with the economic conjuncture to ensure that institutions subject to its supervision continue to operate in a safe and efficient manner.

INDEPENDENCE

When performing its duties and exercising its authorities, the Agency makes decisions based on information and data without taking instructions from any authority, uses the resources allocated to it freely within the procedures and principles set by its own budget, and its decisions cannot be subjected to an audit of appropriateness.

RELIABILITY

The Agency carries out its activities with public benefit in mind, in an equal, fair, consistent, and predictable manner for all related parties, ensuring transparency and accountability.

COOPERATION

The Agency carries out its activities in cooperation and communication with relevant parties by taking different views and suggestions into consideration.

EFFICIENCY

The Agency carries out its activities on time, based on a cost-benefit approach and with a focus on risk and quality.

COMPETENCE

When carrying out its activities, the Agency has internationally recognized professional competence, skill, and ability standards.

RESPONSIVENESS

Requests, suggestions, and complaints that must be considered pursuant to legislation are evaluated in a timely and effective manner, responded to promptly, and, when necessary, incorporated into regulatory and implementation processes.

GOALS / TARGETS / STRATEGIES

G.1. STRENGTHENING FINANCIAL CONFIDENCE AND STABILITY

T.1.1. Alignment of the regulatory framework with international standards will be enhanced.

S.1	To ensure the harmony with the Basel III final reforms (Basel IV), the Agency's regulatory framework will be updated and implemented as required, taking into account EU legislation.
S.2	In accordance with updates in national accounting standards, adjustments will be made—where necessary—to the accounting records and financial statements of both banks and non-bank financial institutions.

T.1.2. The scope and effectiveness of supervisory process will be improved with new approaches and instruments.

S.1	The range of technology-enabled supervision instruments will be expanded in parallel with international regulations and practices.
S.2	Risks arising from financial institutions' reliance on external technology service providers, as well as technology-related risks and vulnerabilities concerning operational resilience, will be identified and addressed at an early stage.
S.3	Climate-related financial risks for financial institutions and the institutional capacity to manage them will be integrated into supervisory processes.
S.4	The number of international counterpart authorities with whom memoranda of understanding have been signed for collaboration and information sharing in supervision will be increased.

T.1.3. Surveillance processes will be further developed in response to emerging needs and new approaches.

S.1	Surveillance techniques will be upgraded using state-of-the-art tools and methodologies.
S.2	Data required for effective analysis and monitoring of climate-related risks will be identified, and banking reporting forms will be reviewed and improved to enable the collection and production of such data.
S.3	Efforts will continue to expand the scope of stress testing by integrating climate-related risks into the stress testing framework.

T.1.4. Effectiveness of risk management policies and practices will be improved.

S.1	Following the coming into effect of Basel IV, the appropriateness of banks' risk management policies, strategies, and processes will be included in supervisory review audits.
S.2	Pioneering studies will be conducted regarding the regulations on crypto-assets in the banking sector, and potential risks will be identified in line with international principles and standards.
S.3	Models, techniques, and processes used by banks for risk measurement and management under internal rating-based approaches will be subject to audit during their application and transition processes.

T.1.5. The implementation function will be developed in harmony with the regulatory and supervisory functions.

S.1	Procedures and standards related to the implementation function will be dynamically updated and improved in alignment with developments, needs, and the regulatory and supervisory framework.
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T.1.6. Cybersecurity of the financial system will be enhanced.

S.1	Cooperation on cybersecurity between public bodies and financial institutions will be continued.
S.2	Existing information system legislation will be reviewed and updated in line with global best practices and national requirements.

G.2. ENSURING INCLUSIVE AND SUSTAINABLE DEVELOPMENT OF FINANCIAL MARKETS**T.2.1. The regulatory framework for the digital finance and fintech ecosystem will be strengthened.**

S.1	Legislative infrastructure will continue to be developed to expand the reach of digital banking services.
S.2	The regulatory framework for fintech companies will continue to be updated to foster innovation and promote competition.
S.3	Banking services will continue to be enabled as a service model.
S.4	Principles and procedures for the use of artificial intelligence will be established.

T.2.2. A regulatory and supervisory framework will be established to support the development of the non-bank financial sector.

S.1	To strengthen the corporate structures of asset management companies, regulatory work will be carried out regarding capital structure, share acquisitions, and processes before and after portfolio transfers.
S.2	Efforts will be undertaken to strengthen the financial structure of savings finance companies, protect customer rights, and enhance monitoring and supervisory processes using more advanced tools.
S.3	Regulations will be introduced to improve the internal systems and risk management processes of NBFIs.
S.4	To promote the digitalization of NBFIs, legislation will be updated as required by the sector, and procedures and principles will be defined for transactions conducted and services offered via information systems.
S.5	Applications such as the Financial Leasing Contract Registration System (FLCRS), Central Invoice Registration System (CIRS), and Trade Chain Financing System (TCFS) will be further developed, broadened in scope, and disseminated.
S.6	Protective practices for clients benefiting from the financial products and services offered by NBFIs will be strengthened.

T.2.3. Infrastructure for sustainable finance practices will be strengthened.

S.1	It will be ensured that banks' contributions to the green transformation are measured objectively, consistently, and comparably in accordance with internationally recognized standards.
S.2	Alternatives to facilitate and enhance financing in sustainability-related areas will be evaluated, ensuring alignment with international standards and the prudential regulatory framework.

S.3	Opportunities to develop social finance activities will be explored, and efforts will be undertaken to support social finance practices within the participation finance and fintech ecosystems.
S.4	Sustainable finance practices of banks and NBFIs will be closely monitored.

T.2.4. The participation finance ecosystem will be developed with a holistic approach.

S.1	Regulations regarding development and investment banks operating exclusively under the participation finance model will be implemented.
S.2	A regulatory infrastructure will be established to enable NBFIs to operate on a participation-based model.
S.3	Compliance of participation finance institutions with sector-specific legislation, principles, and risk management practices will be monitored and assessed more effectively, and efforts will be made to enhance it.

T.2.5. Solutions will be developed to enhance analytical capacity and transparency in retail banking practices.

S.1	Compliance processes and levels of banks regarding retail banking legislation will be evaluated using aggregated data.
S.2	Root cause analyses will be conducted on retail banking activities, and feedback will be provided to accelerate the sector's alignment with legislation.
S.3	Bank reporting forms will be reviewed and redesigned to improve the monitoring and analysis of retail banking activities, with regard to scope and frequency.

G.3. STRENGTHENING INSTITUTIONAL CAPACITY**T.3.1. The Agency's human resources will be strengthened.**

S.1	Human resources policies will be developed to recruit additional personnel and to improve the development, productivity, and collaboration capabilities of existing staff.
S.2	Medium- and long-term human resources planning will be made by taking into account the number of staff required by the agency to perform its duties and responsibilities, the demographic structure of existing personnel, and the workforce turnover rate, and new personnel will be recruited on an ongoing basis.
S.3	Domestic and international training opportunities, including distance education programs, will be improved by developing annual training plans tailored to the needs of service units and personnel.
S.4	Seminars and training programs will continue to be implemented with the participation of internal and external experts and academics on finance, banking, personal development, etc.
S.5	An institutional trainer profile will be established to benefit more effectively from senior staff with academic backgrounds and international certifications in internal training programs.
S.6	A platform will be created within the Agency's database to regularly share training materials and keep them up to date.
S.7	Institutional promotion programs will be regularized, providing candidates with comprehensive information about the agency's duties, responsibilities, and HR policies.
S.8	Professional foreign language-focused speaking clubs will be established to improve personnel's language skills.

T.3.2. Applications will be developed for the effective and safe use of information.

S.1	The BRSA Data Transfer System (BVTs) infrastructure will be reinforced in alignment with current technological developments.
S.2	An Agency-wide data governance process will be established, and data management discipline will be improved.
S.3	Flexible and scalable applications will be developed using modern approaches within a microservices architecture to meet the needs of the Agency's business units.
S.4	Collaboration between development and operations teams will be enhanced.
S.5	Comprehensive testing processes will be improved to reduce potential error rates.
S.6	Data access and usage policies will be updated.

S.7	Secure platforms that provide advanced data analytics capabilities will be deployed.
S.8	The use of in-house business intelligence applications will be expanded, and an AI tool designed exclusively for in-house use will be deployed.
S.9	Technologies such as big data analytics, artificial intelligence, and machine learning will be integrated into in-house applications in compliance with information security standards.
S.10	The technological infrastructure for public-facing publications and e-government services will be strengthened.

T.3.3. Research and monitoring capacity will be enhanced.

S.1	Supportive initiatives will be undertaken to define a researcher profile required for research and monitoring activities.
S.2	Access to national and international digital platforms will be increased to diversify data sources for research and monitoring.
S.3	Annual research agendas will be developed in line with the agency's priorities, and research activities will be carried out and finalized according to the set schedule.
S.4	Results from research activities will be communicated effectively to relevant stakeholders.
S.5	An electronic archive will be established to ensure the effective and systematic sharing of research conducted by the agency and theses prepared by professional staff during the qualification process.
S.6	Collaborative projects with stakeholders will be developed to support the agency's core functions through their outcomes.

T.3.4. Corporate culture and inclusion will be strengthened.

S.1	A "Committee on Corporate Culture and Communication " will be established to identify the corporate culture and communication strategy and monitor relevant activities.
S.2	Programs will be developed to foster communication among senior and junior staff, ensuring the continuity of institutional memory and the transfer of professional experience and codes of conduct.
S.3	To boost communication and interaction among personnel, training activities will be diversified, and motivational social, cultural, and workshop activities will be carried out.
S.4	The Agency's website will be reviewed and redesigned to better meet user needs and strengthen the Agency's corporate image.
S.5	Effective communication channels will be established for staff to share expectations, needs, and feedback, and periodic satisfaction surveys will be conducted.
S.6	Initiatives fostering a sense of belonging within the Agency will be developed.



INTRODUCTION

Strategic plans are generally defined as documents that outline public administrations' medium- and long-term goals, fundamental principles and policies, targets and priorities, performance indicators, and the methods to be employed to achieve these goals. The strategic planning process consists of several stages, including analysis of the current situation and conditions, identification of the desired future outlook, together with the goals and objectives that will lead to that outlook, and ultimately determination of the activities and projects necessary to achieve those goals and targets. Accordingly, the effectiveness of strategic planning is directly linked to the conduct of the process in line with the principles of participation and scientific methodology.

The goals, targets, and strategies outlined in strategic plans identify the priorities and the steps required to effectively realize the Agency's mission and vision, eliminate uncertainties by providing guidance, and steer budgeting and resource allocation in line with the defined priorities.

Article 88 of the Banking Law No. 5411 stipulates that the strategic plan, goals, and targets of the Banking Regulation and Supervision Agency (BRSA) shall be determined by the Board, while Article 94 authorizes the Agency to establish strategies aimed at developing the financial services sector.

In addition, Article 22 of the "Regulation on the Organization of the Banking Regulation and Supervision Agency" assigns the Department of Strategy Development the tasks of determining the Agency's strategies, policies, goals, and targets; preparing the strategic plan; monitoring and evaluating implementation in line with the defined strategic goals and action plans; sharing evaluation results with relevant stakeholders; providing recommendations for improvement to senior management; and preparing and disseminating progress reports.

Within this framework, the BRSA Strategic Plan (2025–2028) has been prepared under the supervision of the Chairman and the coordination of the Department of Strategy Development, with contributions from all service units since 2024. The plan reflects the current status and needs of both the Agency and the financial sector, international integration requirements, international best practices, and the experiences of peer authorities. Any amendments that may become necessary in light of new conditions and emerging needs following the Board's approval of the Strategic Plan by Decision No. 11283 of 23.10.2025 will be made in line with the procedures followed during the preparation of the Plan.



SITUATION ANALYSIS

Situation analysis is one of the fundamental components used in defining corporate goals and targets, as well as the strategies designed to achieve them. The situation analysis comprises intra-agency analysis, stakeholder analysis, and environmental analysis.

1. INTRA-AGENCY ANALYSIS

The adequacy—in both quality and quantity—of human, financial, and physical resources which constitute the fundamental inputs of organizations, as well as information and data assets and corporate governance structures is a prerequisite for organizational success. This section examines internal and largely controllable factors and trends that may influence the Agency's current position and future outlook, identifying strengths and weaknesses in terms of organizational structure, activities, and resources.

1.1. Institutional Structure, Duties and Activities

The Banking Regulation and Supervision Agency was established as an administratively and financially autonomous public legal entity under the repealed Banking Law No. 4389 and commenced its operations on August 31, 2000. With the Banking Law published in the Official Gazette on November 1, 2005, the Agency's duties and responsibilities were expanded, and its powers were strengthened by including, in addition to banks, financial holding companies, financial leasing, factoring, asset management, and financing companies within the scope of regulation and supervision. In 2021, amendments to Law No. 6361 on Financial Leasing, Factoring and Financing Companies brought savings financing companies under the Agency's supervision and oversight.

Article 82 of the Banking Law No. 5411 stipulates that the Agency (1) has a public legal personality with administrative and financial autonomy, (2) shall

independently perform and use the regulatory and supervisory duties and rights assigned to it under its own responsibility, (3) shall independently use the financial resources allocated to it within the framework of the relevant laws to the extent required by its duties and powers, within the procedures and principles determined in its own budget, and (4) shall employ an adequate number of personnel with the required qualifications in order to effectively fulfill its duties and powers.

The Agency's organizational structure was defined within the scope of the Regulation on the Organization of the Banking Regulation and Supervision Agency, which was enacted by the Decision of the Council of Ministers on 2.1.2014 and published in the Official Gazette on 16.3.2014. After being reviewed in 2024, taking into account the expansion in its field of duty and the new needs that emerged, the Agency's organizational structure took its current form with the amending regulation published in the Official Gazette on 17.7.2024.

The Agency is headquartered in Istanbul and consists of the Banking Regulation and Supervision Board and the Chairman's Office. The Board is the Agency's decision-making organ and consists of seven members, including a chairman and a vice chairman, all of whom are appointed by the President for a four-year term, provided they meet the qualifications outlined in Article 84 of the Banking Law. The Board shall convene at least once a week and more frequently when necessary. The agenda of meetings shall be prepared by the Chairman, or in his/her absence by the vice chairman, and communicated to the Board members at least one day prior to the meeting. In order for a new subject to be added to the agenda, a member shall propose it for inclusion in the agenda before the meeting and such proposal has to be adopted by the Board.

The Chairman's Office consists of the chairman, vice chairmen, service units, and the chairman's advisory offices. The Agency's service units currently consist of 20 departments organized as advisory, main service, and support service units. Vice chairmen and heads of departments are appointed by Board resolutions. Pursuant to the relevant provisions of the Banking Law, the Bank Cards and Credit Cards Law No. 5464, and the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, the Agency's main powers, duties, and responsibilities for ensuring confidence and stability in financial markets, the effective functioning of the credit system, and the protection of depositors' rights and interests are:

- to prevent any transactions or practices that may jeopardize the rights of depositors or the sound and secure functioning of banks, and that may cause significant harm to the economy, and to take and implement the necessary decisions and measures to ensure the effective functioning of the credit system;
- to determine strategies for the development of the financial services sector;
- to conduct the surveillance, on-site inspections, analyses, and assessments of the institutions within the scope of the Banking Law and other relevant laws, including monitoring the implementation of the applicable legislation and all transactions and factors affecting their financial soundness;
- to carry out the licensing procedures stipulated in the Banking Law and other relevant laws;
- to request all kinds of information and documents from the institutions subject to supervision and their affiliates regarding the implementation of the Banking Law and other relevant legislation;
- to regulate, implement, ensure compliance with, monitor, and supervise the establishment, activities, governance and organizational structures, mergers, demergers, share transfers, and liquidations of banks and financial holding companies, as well as financial leasing,

factoring, financing, asset management, and savings financing companies, without prejudice to the provisions set out in other applicable legislation;

- to ensure the effective operation of the card payment system through regulating the principles and procedures on the issuance and use of bank cards and credit cards;
- to carry out licensing procedures for institutions wishing to establish a card system, issue cards, enter into agreements with member businesses, and share information, and to ensure the supervision and surveillance of these institutions' activities;
- to ensure transparency and accountability, by publishing reports on its activities, strategies, material developments in the relevant sectors, and the performance of the institutions under its supervision, providing information to the Planning and Budget Committee of the Grand National Assembly of Türkiye, and publicly disclosing its final accounts;
- to authorize organizations that will provide independent audit, valuation, and rating services to banks, and to set forth the procedures and principles governing their activities;
- to ensure cooperation with domestic and international competent authorities regarding the implementation of monetary, credit, and banking policies, supervision, information exchange, and other matters;
- to contribute to the work of the Coordination Committee, to become a member of international financial, economic, and professional bodies in which domestic and foreign peer institutions participate, and to conclude memoranda of understanding with foreign competent authorities on issues falling within its mandate;
- to exercise the powers granted to it by legislation through regulatory actions taken by the Board or specific decisions adopted as needed, and to apply differentiated measures on an individual bank or banking-group basis when deemed necessary.

The Agency is also a member of the Financial Stability Committee (FSC), established under Law No. 4059 on Financial Stability and Certain Regulations, and within this framework actively participates in the following activities in cooperation and coordination with the other member institutions:

- Identification of systemic risks and vulnerabilities that may threaten financial stability and security, establishment of the necessary methods for effective monitoring and management, and

determination of policy recommendations;

- Assessment of the effects of financial regulations;

- Ensuring the healthy development of the financial sector in a way that supports sustainable growth and financial stability;

- Development of crisis management plans to be implemented in the event systemic risks materialize.

1.2. Human Resources

Human resources constitute the most significant element of the Agency's institutional capacity, as qualified personnel are difficult and time-consuming to develop or replace, and human capital plays a decisive role in the effective utilization of financial, physical, and informational resources. Personnel who embody the Agency's institutional values and possess advanced expertise—particularly those who contribute to its creative and innovative capacity—play a decisive role in overall institutional performance by ensuring efficient use of all other resources.

The Agency's well-educated, young, and dynamic workforce is one of its primary strengths. The human resource needs arising from the increasingly expanding and complex activities of the financial sector are met by recruiting highly qualified professionals who have received specialized education across a broad range of fields through a competitive selection process. Accordingly, the recruitment of professional staff is carried out through examinations announced via the Official Gazette, the Public E-Application Platform, the Presidency Career Gate, and the Agency's official website. Candidates who meet the requirements based on various PPSE scores and other general and specific criteria are eligible to participate in these examinations. Candidates who succeed in the written and oral examinations are appointed after announcement of results on the Agency's official website and the

Presidency Career Gate. Other staffing needs are met through direct recruitment or transfer in accordance with the relevant legislation.

The legal framework governing the Agency's human resources management is defined by the Banking Law and the Civil Servants Law No. 657, and further detailed in the "Regulation on Human Resources of the Banking Regulation and Supervision Agency", "BRSA's Regulation on Competition, Authorization and Adequacy Examinations and Working Principles and Procedures", "Regulation on Professional and Ethical Principles for the Members of the Banking Regulation and Supervision Board and the Personnel of the Banking Regulation and Supervision Agency", "Regulation on Promotion and Title Change of Personnel of the Banking Regulation and Supervision Agency", and other related regulations.

However, amendments introduced to Decree Law No. 375 by Decree Law No. 666 of November 2, 2011, have significantly restricted the remuneration framework for the Chairman and members of the Board, and BRSA staff compared to the previous legal structure. This restriction adversely affects human capital development and makes it difficult for the Agency to attract highly qualified candidates with leadership potential.

Beyond recruiting competent and highly motivated personnel, strengthening the capabilities of the existing human capital is of critical importance for institutional

capacity. To this end, training programs are periodically planned in response to the needs reported by service units, and necessary arrangements are made for the personnel to participate in both domestic and international training programs.

As of year-end 2024, the Agency employs a total of 556 personnel, including 448 civil

servants—including managers, advisors, professional staff, and other personnel—107 permanent workers, and 1 contracted employee. Professional staff account for 64 percent of all personnel. The rate of employees holding a bachelor's, master's, and doctoral degree is 56%, 24%, and 3%, respectively.

1.3. Physical Resources

The adequacy and ergonomic quality of physical resources directly and materially influence service efficiency and staff motivation, and therefore institutional performance.

The Agency operated in a leased service building located in the Şişli district from 2016—when it relocated all of its units to Istanbul—until October 2024. As of that date, its activities have been carried out in its newly leased premises within the Istanbul International Finance Center (IFM) in the Ümraniye district. The new service building consists of seven floors

and has a total indoor area of 12,915 m². It is designed on the basis of a horizontal architectural layout and smart-building technologies. Featuring a modern and well-lit interior, ergonomic furnishings, spacious common areas, and numerous meeting rooms suitable for training and similar events, the building enhances interaction among service units and supports staff productivity. Its proximity to major transportation routes and its ample parking capacity have significantly improved accessibility to the Agency for both staff and the public.

1.4. Financial Resources

Article 82(3) of the Banking Law stipulates that the Agency may freely utilize the financial resources allocated to it—within the framework of the Banking Law and the Public Financial Management and Control Law No. 5018—to the extent required by its duties and powers, and in accordance with the procedures and principles set out in its own budget.

Article 101 of the Law provides that the Agency's revenues shall cover its expenditures; that such expenditures shall be financed by participation shares to be paid to the Agency, prior to the entry into force of the budget, by banks, financial leasing companies, factoring companies, financing companies, and savings financing companies; and that the amount to be collected as a participation share may not exceed three-ten-thousandths of

those institutions' total year-end balance sheet amounts from the preceding year. In this framework, based on participation share rates determined with due regard to the sector's activity level and the Agency's financial needs, the Agency collected 1,252 million TRY, 1,888 million TRY, and 4,411 million TL from the relevant institutions in 2022, 2023, and 2024, respectively.

One of the Agency's strengths is that it is defined as an administratively and financially autonomous body within the framework of the Banking Law. However, although the Agency—as a regulatory and supervisory authority—is subject to a different budgetary regime than institutions covered by the general budget, it is, in practice, bound by the same financial rules and limitations. This is because the procedures and controls governing expenditures are subject to the

² "Decree Law on Amendments to the Law No. 657 on Civil Servants, Law No. 926 on the Turkish Armed Forces Personnel, Law No. 2802 on Judges and Prosecutors, Law No. 2914 on Higher Education Personnel, Law No. 5434 on the Turkish Pension Fund, and Certain Other Laws and Decree Laws, and on the Payment of Base Salary, Seniority Salary, and Additional Compensation to Civil Servants and Other Public Officials."

same provisions of Law No. 5018, and the financial discipline practices set by the central government also apply to regulatory and supervisory authorities.

To ensure taking effective steps for enhancing institutional capacity and successful outcomes from these steps, it is of great importance both to allocate sufficient resources and to ensure that these resources can be used in response to actual needs. In particular, the limitations encountered in using revenues to strengthen institutional capacity constitute an obstacle to increasing human and physical resources and restrict the Agency's ability to undertake long-term expenditure and investment planning. In this context, the amounts from the Agency's revenues that remained

unused in 2022, 2023, and 2024—984 million TL,

1,382 million TL, and 3,414 million TL, respectively—were transferred to the general budget as surplus revenue.

On the other hand, a relative increase in the Agency's expenses is anticipated in the coming period, driven by efforts to enhance institutional capacity—through improving the human resources both qualitatively and quantitatively, integrating advanced information technologies into business processes, and expanding access to new information and data sources—as well as by initiatives aimed at implementing the Government's strategies and policies for the financial sector.

1.5. Information and Data Sources

The Agency conducts its decision-making and implementation processes on a data- and analysis-driven basis. It maintains a broad data pool containing the comprehensive datasets required within its mandate—most notably data pertaining to banks and non-bank financial institutions (NBFIs)—and employs modern technologies for the collection, processing, sharing, and utilization of this data.

Data collected from institutions under the Agency's supervision and oversight through a total of 249 forms within BVTs on daily, weekly, monthly, quarterly, semi-annual, and annual cycles is made available to users following quality- and consistency-oriented validation checks. In addition, pursuant to legislation and bilateral agreements, the Agency shares data with other institutions and organizations in accordance with standards relating to confidentiality, integrity, and accessibility.

Data resources—one of the Agency's greatest strengths—are made available to business units as needed through business intelligence applications and packaged software solutions. Furthermore, the Agency, as the primary data collection authority for banks and non-bank financial institutions, regularly

shares aggregated data for the sectors under its responsibility with the public and all relevant stakeholders, including national and international institutions, analysts, and the academic community. In this context, the data shared includes daily, monthly, and quarterly datasets for the banking and non-bank financial sectors, as well as quarterly loan, deposit, and branch distributions on a provincial basis. To ensure the comprehensibility and readability of the published data through charts and tables, a "Key Banking Indicators" report is also published on a quarterly basis.

2. STAKEHOLDER ANALYSIS

Individuals, groups, institutions, and organizations that benefit from the services provided by the Agency, are directly or indirectly affected by its activities, or influence the Agency are defined as its stakeholders. Identifying stakeholders is important to ensure maximum participation in the planning and implementation process, to effectively evaluate implementation results, and to reduce information asymmetry among relevant parties. In this context, the main stakeholders of the Agency are given below:

(a) Institutions subject to supervision: banks, financial holding companies, financial leasing companies, factoring companies, financing companies, asset management companies, savings finance companies, and independent auditing, rating, valuation, and support service entities authorized to serve these institutions, as well as card system organizations, card issuers, organizations that enter into merchant agreements, credit registry offices, and other organizations engaged in information exchange activities;

(b) Consumers/customers and their organizations: customers of the organizations that are subject to the Agency's supervision, or their unions, associations, federations, forums, and relevant non-governmental organizations;

(c) Domestic institutions and organizations with which the Agency maintains active cooperation: the Ministry of Treasury and Finance, the Strategy and Budget Office of the Presidency (SBO), the Presidency Investment and Finance Office, the Central Bank of the Republic of Türkiye (CBRT), the Capital Markets Board (CMB), the Competition Authority, the Savings Deposit Insurance Fund (TMSF), the Financial Crimes Investigation Board (MASAK), Borsa İstanbul A.Ş. (BIST), the Public Oversight, Accounting and Auditing Standards Authority (KGK), the Turkish Statistical Institute (TURKSTAT), the Turkish Cooperation and Development Agency (TIKA), the Credit Bureau (KKB),

the Interbank Card Center (BKM) and the Risk Center of TBB;

(ç) National cooperation and coordination platforms in which the Agency is involved: FSC, Coordination Committee;

(d) Relevant public institutions and organizations: Ministry of Justice, Ministry of Trade, the ministries to which the institutions and organizations in active cooperation with the Agency are affiliated, the Information Technologies and Communication Authority (BTK), and other relevant public institutions as stipulated in the laws;

(e) Professional associations and unions: the Banks Association of Turkey (TBB), the Participation Banks Association of Türkiye (TKBB), the Association of Financial Institutions (FKB), the Union of Chambers of Certified Public Accountants of Türkiye (TÜRMOB), the Turkish Capital Markets Association (TSPB), the Association of Valuation Specialists of Türkiye (TDUB), the Independent Audit Association, the Turkish Institute of Internal Auditing, the Corporate Governance Association of Türkiye (TKYD), and the Risk Managers Association;

(f) International initiatives and organizations with which the Agency maintains active cooperation: International Monetary Fund (IMF), World Bank (WB), Financial Stability Board (FSB), Bank for International Settlements (BIS), Organisation for Economic Co-operation and Development (OECD), Basel Committee on Banking Supervision (BCBS), Financial Stability Institute (FSI), Financial Action Task Force (FATF), World Trade Organization (WTO), G20 Platform, Global Partnership for Financial Inclusion (GPFI), Alliance for Financial Inclusion (AFI), International Network on Financial Education (INFE), International Association of Deposit Insurers (IADI), International Federation of Accountants (IFAC), International Organization of Securities Commissions (IOSCO), International Accounting Standards Board (IASB), International Sustainability Standards

Board (ISSB), relevant organizations of the European Union (EU), International Islamic Banking Association (IAIB), Islamic Financial Services Board (IFSB), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), European Banking Authority (EBA), European Central Bank (ECB), Network for Greening the Financial System (NGFS), Sustainable Banking and Finance Network (SBFN), and multilateral international financial institutions;

(g) Counterpart authorities abroad: The counterpart authorities in the jurisdictions where globally owned banks operating in Türkiye—and all Turkish banks with foreign subsidiaries, branches, affiliates, representative offices, or similar structures—carry out their cross-border activities, and the following institutions with which memorandums of understanding have been concluded: the Central Bank of the Turkish Republic of Northern Cyprus (TRNC); the Bank of Albania; the National Bank of Romania; the Central Bank of Bahrain; the Bank Indonesia; the State Bank of Pakistan; the Malta Financial Services Authority; the Bank of Greece; the National Bank of the Kyrgyz Republic; the Central Bank of Azerbaijan; the Bulgarian National Bank; the China Banking Regulatory Commission; the Dubai Financial Services Authority; the National Bank of Georgia; the Central Bank of Kosovo; the Central Bank of the United Arab Emirates; the Luxembourg Commission for the Supervision of the Financial Sector; the Banking Control Commission of Lebanon; the Banking Agency of Bosnia and Herzegovina; the National Bank of Kazakhstan; the National Bank of Ukraine; the National Bank of North Macedonia; the Central Bank of the Russian Federation; the Central Bank of Syria; the Credit and Monetary Council; the Qatar Financial Centre Regulatory Authority; the Federal Financial Supervisory Authority of Germany (BaFin); the Croatian National Bank; the Central Bank of Jordan; the National Bank of Belgium; the Financial Supervisory Service of South Korea; the Central Bank of Iraq; the Bank of Spain; the Dutch Central Bank (De Nederlandsche Bank); the National Bank of Serbia; the Abu Dhabi Global Market Financial Services

Regulatory Authority; the Reserve Bank of India; the Bank of England; and the Central Bank of Uzbekistan;

(ğ) Legislative body: the Turkish Grand National Assembly (TGNA);

(h) Institutions that conduct external audits of the Agency: the Court of Accounts and the Presidency State Supervisory Council;

(ı) Judicial bodies: Constitutional Court, Court of Cassation, Council of State, and other relevant judicial authorities;

(i) Arbitration authorities: Customer Complaints Arbitration Committee and other relevant arbitration bodies;

(j) Universities;

(k) Press and media outlets;

(l) Agency's staff: Managers, professional staff, administrative staff, and workers.

3. ENVIRONMENT ANALYSIS

Within the scope of environment analysis, domestic and international conditions and trends relevant to the Agency's mandate, along with developments in high-level

policy documents, are monitored to identify critical opportunities and threats that inform strategic and policy-making processes.

3.1. Global Outlook and Expectations

The 2022-2025 period is characterized by a slow but steady post-pandemic recovery in the global economy, a partial easing of inflationary pressures, a reduction in recession risks, and a gradual rebound in global demand. During this period, growth rates were below historical averages due to various factors, including anti-inflation measures, fluctuations in energy prices, geopolitical risks, trade disputes, and structural constraints—such as limited productivity gains and aging populations—in developed economies.

According to forecasts by international organizations, the global average growth rate is expected to increase from 2.9 percent in 2024 to approximately 3.2 percent in 2025 and to stabilize around 3.1 percent in 2026 and 3.2 percent in 2027. When examining the distribution of global growth, it is observed that expansion in the US economy has slowed, reaching 2.8 percent in 2024, while growth in the Eurozone has edged up to 0.9 percent (compared with 0.4 percent in 2023). For the 2025–2026 period, growth is projected at 2 percent and 2.1 percent for the United States, and 1.2 percent and 1.1 percent for the Eurozone, respectively. These figures highlight the slower recovery of the developed economies after the pandemic and their heightened exposure to global economic risks.

In contrast, developing countries and emerging market economies achieved an average growth rate of 4.3 percent in 2024, which is expected to moderate slightly to 4.1 percent during 2025-2026. This relatively stronger growth is largely driven by Asian economies—particularly China and India—which are expected to remain the primary engines of global expansion in the near term, although a gradual slowdown is observable. For instance, in

China, a cooling real estate sector and weakening external demand signal the vulnerability of this growth trajectory. Additionally, competition in technology and digitalization is expected to reshape global supply chains and contribute to the formation of new trade routes, particularly in the Asia-Pacific region. Trade tensions between China and the US, coupled with ongoing supply chain challenges, are likely to continue influencing the global economic balance.

A significant recent development in global economic activity has been the shift in interest rate policies by leading central banks, including the US Federal Reserve (Fed) and the European Central Bank (ECB), both of which had kept rates elevated for an extended period to contain inflation. Faced with slowing growth and labor market pressures, the Fed cut interest rates twice in the last quarter of 2024 and, taking macroeconomic indicators into account, signaled that further reductions would continue gradually. The ECB similarly adjusted its policies in 2024, lowering the policy rate to 3.15 percent by the end of the year, following reductions in June and subsequent months. The ECB continued rate cuts in 2025, bringing the policy rate to 2.15 percent as of June. Nonetheless, the ECB is adopting a cautious stance, emphasizing that it will take into account the impact of Eurozone growth and developments in energy markets on inflation when shaping its monetary policies. The ECB's rate cuts have led to a depreciation of the euro, supporting regional exports; however, rising currency-related costs create risks in areas such as energy imports. Meanwhile, persistent high inflation in several developing countries, including Türkiye, is prompting central banks in these economies to

maintain a cautious stance in their monetary policies.

Interest rate cuts in the US and the Eurozone are expected to have a positive impact on capital flows toward emerging markets. In particular, reductions in the Fed's policy rates are expected to have significant effects on global capital movements, prompting investors to turn toward emerging markets in search of higher returns and leading to increased capital inflows into these economies. At the same time, the persistently high cost of borrowing continues to constrain the growth potential of developing countries. This dynamic also heightens vulnerabilities, as capital inflows are more likely to be directed toward short-term portfolio investments rather than long-term direct investments.

Despite the gradual recovery and the optimism fostered by expansionary monetary policies, risks and uncertainties surrounding global financial stability remained at the end of 2024. Inflation, although on a declining trajectory, remains one of the most significant risk factors for the global economy. The global inflation rate peaked at 7.9 percent in 2022 and moderated to 6.6 percent in 2023 and 5.7 percent in 2024. According to international projections, it is expected to decline further to 4.2 percent in 2025 and to 3.5 percent in 2026. Inflation is anticipated to decline more rapidly in developed economies. In contrast, the reduction is expected to be slower in developing economies due to persistent pressures from service sector prices and volatility in energy prices.

Risks and uncertainties regarding global financial stability also encompass the adverse effects of climate change. In addition to the increased frequency and intensity of acute climate-related natural disasters, chronic effects—such as shifts in precipitation and temperature patterns, rising sea levels, and erosion—pose significant threats to food, water, and energy security, inflict severe damage on human and physical infrastructure, and may disrupt economic activities. On the other hand, green transformation and renewable energy investments present significant opportunities for sustainable economic growth in many developing countries, including Türkiye.

Meanwhile, escalating geopolitical risks in the Middle East and Eastern Europe are contributing to increased uncertainty regarding global stability. The ongoing Russia-Ukraine war, in particular, is expected to continue to exert a negative impact on the global economy, especially on the European economy. Although the resulting volatility in energy markets has accelerated the region's energy independence strategies, these transformations are likely to have short-term implications for growth.

Additionally, the protectionist and sanctions-oriented policies that emerged with the change of administration in the United States at the beginning of 2025 have escalated international tensions and trade conflicts. These developments are considered to have the potential to affect the Turkish economy through various channels, including foreign trade, energy costs, trade routes, and investment risks.

3.2. Outlook and Expectations in Türkiye

3.2.1. Macroeconomy

The economic program implemented in 2023—anchored in tight monetary policy and fiscal discipline—alongside uncertainties stemming from global trade wars and geopolitical risks, has been a central factor shaping Türkiye's recent economic outlook. Strengthening economic stability and supporting long-term sustainable growth have emerged as

key priorities.

In this context, the Central Bank of the Republic of Turkey (CBRT) gradually raised the policy interest rate from the second half of 2023, taking it up to 50 percent. As a result of these measures, inflation began to decline gradually, and the policy rate stood at 46 percent as of June 2025. The

slowdown in domestic demand observed in the second half of 2024 is expected to further support this downward trend in inflation. Consumer inflation, which stood at 44.4 percent at the end of 2024, is projected to decline to 7 percent by the end of 2027 in line with the Medium-Term Program (MTP) targets.

The Turkish economy grew by 3.3 percent in 2024, driven by private consumption and investment, and is expected to grow by approximately the same rate in 2025 under the MTP (2025–2027) framework. Growth is projected to range between 4 and 5 percent in the 2026–2027 period, with net exports anticipated to play a decisive role in this outlook.

Despite global uncertainties, geopolitical risks, and a slowdown in EU demand in 2024, Türkiye's foreign trade balance performed positively. The controlled pace of domestic demand, coupled with strong demand growth from the Middle East and the Gulf Region, supported export recovery and placed the growth composition on a more sustainable foundation. Export volume reached a historic high of USD 262 billion, while the current account deficit amounted to USD 10.4 billion in 2024.

In 2024, the export-import coverage ratio increased by 5.5 percentage points compared to the previous year, reaching 76.1 percent, thereby contributing positively to the foreign trade balance despite fluctuations in energy prices. Nonetheless, energy import costs, global trade developments, and domestic demand dynamics remain key determinants for the sustainability of the current account balance. In particular, the continuation of the downward trend in energy prices and the rising share of renewable energy in total consumption are expected to play a significant role in containing the current account deficit by reducing dependence on energy imports.

Within the framework of the Medium-Term Programme (MTP), policies aimed at promoting the export of high value-added and technology-intensive products are designed to strengthen Türkiye's export performance. This strategy aims to reduce

the current account deficit to 1.3 percent of GDP by 2027 and to achieve a surplus in the non-energy current account balance. In this regard, Türkiye's efforts to transform its energy policies and reduce import dependency stand out as a cornerstone of the structural improvement in the foreign trade balance.

As of June 2025, the CBRT's official reserve assets reached 149.9 billion USD, with foreign exchange reserves amounting to 59 billion USD. Enhancing foreign exchange reserve management is regarded as a critical element in mitigating exchange rate volatility and ensuring the sustainability of Türkiye's external financing. Global interest rate developments and the initiation of rate cuts by major central banks will play a defining role in shaping capital flows and financing conditions in the period ahead. The increase in global risk appetite driven by these rate cuts could bolster capital inflows to emerging markets—including Türkiye—despite heightened geopolitical risks.

Supported by strong revenue performance and a reduction in non-earthquake expenditures, the budget deficit-to-GDP ratio stood at 4.7 percent at the end of 2024. This ratio is expected to decline to 3.1 percent in 2025 and, under the relatively tightening fiscal stance of the MTP period, to gradually fall to 2.8 percent in 2026 and 2.5 percent in 2027. The general government debt-to-GDP ratio stood at 24 percent in 2024, remaining consistent with the Maastricht criteria.

As of June 2025, the unemployment rate stood at 8.6 percent. According to the MTP projections, the unemployment rate is expected to follow a gradual path in line with developments in economic performance, reaching 9.2 percent in 2026 and 8.8 percent in 2027.

In the period ahead, structural labor market reforms and strategies to combat youth unemployment are expected to take precedence. At the same time, the growth momentum in the construction and services sectors is expected to contribute to further employment gains.

3.2.2. Banking Sector and Non-Bank Financial Sector

As of June 2025, Türkiye's banking sector—the largest component of the financial system, accounting for over 80 percent of total financial system assets—comprises 67 banks, five of which operate as digital banks: 37 deposit banks, 20 development and investment banks, 9 participation banks, and 1 SDIF bank.

The banking sector's total assets grew by 41.4 percent over the past year, reaching 39.7 trillion TRY as of June 2025. The sector's credit-focused balance sheet and sustained growth trajectory indicate that it is effectively fulfilling its economic intermediation function. As of June 2025,

total loans amounted to 19.6 trillion TRY, and total deposits reached 22.9 trillion TRY. Loans accounted for 49.3 percent of total sector assets, and approximately 76 percent of all loans were extended to real-sector firms, thereby supporting production and employment.

As of June 2025, the annual credit growth rate—adjusted for exchange rate and parity effects—stood at 28.8 percent. A stabilization phase in credit growth, which began in the second quarter of 2023, continued throughout 2024 and 2025. During this period, commercial loans exhibited steady and moderate growth, while retail loan growth lost momentum compared with previous periods.

In the banking sector—traditionally characterized by a deposit-driven funding structure—deposits accounted for 57.8 percent of total liabilities. This ratio reflects the sector's robust financial structure and its ability to mobilize funding from domestic markets. The sector has also demonstrated strong performance in accessing and rolling over external financing, and—supported by improvements in Türkiye's risk premium—has expanded its borrowing capacity in international markets. Recently, rollover ratios for foreign borrowings—including syndicated loans—have generally exceeded 100 percent. In this context, the sector's external liabilities (including securities issued abroad) increased from 126.4 billion USD in June 2024 to approximately 152 billion USD in June 2025.

The banking sector continues to keep asset-quality risks at manageable levels, underpinned by its strong capital base, solid profitability, high provisioning ratios, and overall balance sheet resilience. As of June 2025, provisioning coverage stood at 73.2 percent for non-performing loans and 14.2 percent for loans under close monitoring—well above EU averages.

The sector's capital adequacy ratio was 18 percent as of June 2025, substantially exceeding both the legal minimum level of 8 percent and the target ratio of 12 percent. Moreover, the core capital adequacy ratio and the Tier 1 capital adequacy ratio stood at 14.1 percent and 15.5 percent, respectively—well above the minimum regulatory thresholds of 4.5 percent and 6 percent. These figures confirm that the sector's capital structure is composed of high-quality components and that banks continue to operate with robust capital buffers.

Profitability performance remains a key contributor to the sector's strong capital structure." Although increases in policy rates since 2023 have exerted downward pressure on profitability ratios, improvements in the balance of non-interest income and expenses have supported the sustainability of sector profitability. The ongoing economic rebalancing and the rise in deposit rates have passed through to lending rates, and the gradual removal of loan interest rate caps has contributed positively to sector profitability.

The non-performing loan (NPL) ratio, one of the most critical indicators of asset quality, rose from 1.5 percent in June 2024 to 2.1 percent in June 2025. The relatively low level of the NPL ratio has been supported by the limited increase in overdue receivables and continued credit expansion. Looking ahead, in line with economic activity, NPL ratios—particularly in retail lending—are expected to remain at manageable levels, with a predictable potential for moderate increases.

The sector's liquidity indicators, foreign exchange position, and leverage ratio also

remain at sustainable levels, and all banks meet the liquidity coverage ratio (LCR) requirement in compliance with Basel standards. Moreover, the net stable funding ratio (NSFR), introduced in 2023, has provided additional assurance against liquidity risk and is regarded as an important step in enhancing the banking system's liquidity resilience.

Alongside banks, non-bank financial institutions—an increasingly important component in meeting diverse financial needs—have also grown rapidly. As of June 2025, these institutions recorded annual growth of 64.9 percent in total assets and 57.2 percent in loan volume, positioning them as a segment with rising importance and requiring closer attention within the financial system. As of the same date, a total of 127 non-bank financial institutions operate in the sector, including 48 factoring companies, 20 financial leasing companies, 24 financing companies, 28 asset management companies, and 7 savings finance companies.

In the period ahead, key factors shaping the performance of Türkiye's banking sector will include inflation and exchange rate dynamics, interest rate policies, and potential adjustments to the regulatory framework. While fluctuations in inflation and interest rates will continue to shape credit costs and the profitability of the banking sector, effective liquidity management and the preservation of asset quality will remain critically important. The rapid pace of digitalization and advances in financial technologies continue to create both new opportunities and competitive pressures for the banking sector, underscoring the need to enhance customer experience and strengthen operational efficiency. Effective risk management within loan portfolios and the preservation of capital adequacy ratios remain critical for supporting banks'

sustainable growth.

On a global scale, geopolitical uncertainties and volatility in international markets stand out as the main risks the sector may face. Persistently low growth rates in developed economies—particularly within the EU—the slowdown in China, and the possibility of renewed trade tensions or protectionist measures between the United States and China all carry the potential to disrupt global trade flows. Combined with geopolitical frictions in neighboring regions that play a substantial role in Türkiye's bilateral and regional trade, this situation heightens risk perceptions toward developing economies and increases vulnerabilities across both the banking and non-bank financial sectors. Furthermore, the subdued performance of foreign direct investment—an important driver of employment and long-term growth—may exert additional pressure on financial stability. Against this backdrop, close monitoring of national and international developments and careful assessment of their potential implications is of great importance.

Despite these risk factors, the Turkish banking sector continues to maintain its resilience against rising global and regional uncertainties, supported by a solid financial structure, a high-quality asset portfolio, and risk management practices aligned with international standards. In the upcoming period, strengthening risk management policies, advancing green finance, ensuring compliance with environmental, social, and governance (ESG) criteria, and transitioning to sustainable banking models are expected to play an important role in enhancing international investor confidence and attracting long-term capital flows.

3.3. High-Level Policy Documents

Pursuant to the third paragraph of Article 93 of the Banking Law, the Agency is required to conduct all of its activities in compliance with the principles, strategies, and policies set out in national development plans and programs, without prejudice to the authorities granted under its founding legislation. Accordingly, the principles, strategies, and policies in force—based on the relevant high-level policy documents—during the preparation of the Agency's Strategic Plan are presented below:

Twelfth Development Plan (2024-2028):

The overarching objective of the Twelfth Development Plan is to establish a financial sector that is competitive and aligned with global markets, with a particular emphasis on sustainable and digital finance. The plan envisions a sector that can contribute to the development process at reasonable cost and under suitable conditions, operates with high efficiency, and maintains a robust institutional structure. In pursuit of this objective, the following policy directions and measures have been identified:

- Enhancing efficiency and product diversity in the financial sector;
- Improving investment banking activities;
- Strengthening development and investment banking so as to enhance the effectiveness of financing investment projects, with a focus on strategic products and priority sectors;
- Facilitating the real sector's access to investment financing;
- Scaling up the Physical Gold Savings System (FATSI) to mobilize gold held outside the financial system into the economy;"
- Enhancing economic and financial relations with third countries and increasing the use of local currencies in bilateral trade;
- Establishing a centralized alternative dispute resolution center to provide swift and streamlined resolution of disputes between individual or corporate clients and financial institutions regarding financial transactions and financial products and services;

- Broadening financial literacy initiatives;
- Enhancing the infrastructure for fintech and digital finance;
- Establishing databases by defining data standards and access methods;
- Supporting the development of domestic financial technologies;
- Strengthening the regulatory frameworks governing interactions between incumbent financial institutions and fintechs by regulatory and supervisory authorities;
- Advancing efforts for the development, launch, and widespread use of the digital Turkish lira;
- Advancing work on the settlement of securities transactions through the Central Bank Digital Currency;
- Continuing efforts to enhance efficiency and interoperability in the payments ecosystem;
- Taking measures to prevent anti-competitive practices between banks and non-bank payment service providers by enhancing the institutional maturity and security levels of all sector participants;
- Improving digital identity verification and account management processes;
- Reducing costs in the financial sector by promoting shared digital infrastructure and operational platforms;
- Ensuring equitable access to required infrastructures for banks and non-bank financial institutions;
- Supporting sustainability initiatives within the financial sector;
- Promoting the development of new sustainable finance products and services by raising awareness of environmental, social, and governance (ESG) criteria;
- Standardizing the presentation of sustainability and emissions data and making such data publicly accessible;
- Developing a national taxonomy and related legislation to classify sustainable economic activities;
- Introducing regulatory frameworks for sustainable banking, transition plans, and climate-risk management in the banking sector;
- Enhancing financial authorities' institutional capacity in the field of sustainable finance;
- Developing sustainable financial products and training specialized staff in

this field;”

- “Undertaking efforts to increase the real sector’s awareness and knowledge regarding sustainable finance;
- Developing markets for emissions allowances and promoting their use by firms;
- Improving the institutional framework to strengthen financial stability and refraining from interventions that could distort the functioning of the free market;
- Ensuring alignment with Basel III Final reforms on capital adequacy in the banking sector;”
- Preventing the occurrence of regulatory arbitrage between the financial sector and instruments;
- Ensuring alignment with international collaborations, integrations, and standards;
- Improving the implementations and regulatory infrastructure for participation finance;
- Advancing the transformation of the participation finance system to further strengthen its institutional structure;
- Establishing mechanisms to support the development of participation finance;
- Establishing a holistic Shariah governance framework for participation finance;
- Enhancing human capital capacity of participation finance institutions;
- Enhancing the role of the Istanbul International Finance Center in deepening financial markets.
- Strengthening the integration of the Istanbul Financial Center (IFC) into the international financial system;
- Supporting fintech companies operating on participation finance principles to build an innovative, inclusive, and dynamic participation finance ecosystem within the Istanbul Financial Center (IFC);

Medium Term Program (2026-2028):

The Medium-Term Program sets forth macroeconomic targets shaped by global, regional, and national economic developments, along with the policy framework to be pursued in economic and social domains.

Considering the targets of the Twelfth Development Plan (2024–2028), the

- Strengthening the legal and regulatory framework for non-bank financial institutions;
- Implementing regulations to safeguard the reputation of non-bank financial institutions;
- Reducing intermediation costs;
- Introducing regulations to enhance the operational framework of asset management companies;
- Expanding savings financing services;
- Promoting digitalization for non-bank financial institutions through regulatory measures;
- Strengthening consumer protection practices within the financial system;
- Establishing infrastructure to effectively disseminate all capital markets data to investors and public/private sector stakeholders;
- Consolidating book-entry custody data within the central registry agency;
- Strengthening protective practices for users of financial products and services;
- Expanding financing opportunities for long-term investments;
- Enabling the use of participation-based financing methods for large-scale projects in sectors such as transportation, energy, manufacturing, and healthcare;
- Developing long-term financing instruments—including credit guarantee mechanisms—for renewable energy and energy-efficiency projects;
- Establishing cybersecurity standards for financial markets;
- Enhancing cyber-resilience and security maturity levels to counter cybersecurity threats targeting the financial system;
- Strengthening mechanisms to ensure the protection of personal data privacy in the delivery of digital services.

program aims to reinforce macroeconomic and financial stability, preserve fiscal discipline, and achieve price stability by reducing inflation to single digits over the medium term. The Program also aims to achieve sustainable growth by increasing productivity, strengthening R&D and innovation capacity, accelerating technological transformation during the

green and digital transition, enhancing human capital, improving labor market efficiency, fostering a more conducive business and investment climate, and reducing informality in the economy.

The key policy measures and actions envisioned within this framework include:

- Supporting financial stability by increasing savings within the financial system, expanding financial literacy, enhancing efficiency in resource allocation, developing sustainable finance and financial technologies, and deepening capital markets to improve access to finance. In implementing policies aimed at expanding access to finance, due attention should be paid to ensuring that instruments supporting technological renewal and sectoral transformation in industry remain in place. Efforts to build an innovative, inclusive, and dynamic participation finance ecosystem will continue.
- Ensuring that instruments supporting technological modernization and sectoral transformation in industry remain in place alongside measures to improve access to finance; and continuing ongoing initiatives aimed at strengthening the participation finance ecosystem.
- Continuing to promote policies that increase the share and average maturity of Turkish lira deposits, in line with the disinflation strategy.
- Implementing measures on individual and non-targeted commercial loans consistent with the monetary policy stance to help balance domestic demand, anchor inflation expectations, and reduce the current account deficit;
- Supporting credit mechanisms that foster investment, employment, production, and exports;
- Designing the regulatory framework in line with international standards,

Presidency Annual Program (2025):

- Providing advisory and training services on household budget management, savings and investment instruments, and risk management;
- Offering free digital financial education content accessible to individuals across all education levels, age groups, and income segments, thereby enhancing savings

including ensuring compliance with the changes introduced by the Basel III Final regulations;

- Advancing efforts to streamline regulations to enable the financial sector to perform intermediation activities more effectively;
- Strengthening the regulatory and supervisory framework for the non-bank financial institutions;
- Implementing regulations concerning development and investment banks that operate fully on participation principles;
- Establishing a sound regulatory infrastructure for non-bank financial institutions operating within the participation finance system;
- Developing diversified products and services to promote the expansion of participation finance;
- Establishing mechanisms that support the institutional transformation of participation finance and strengthen the sector;
- Supporting investments that meet criteria related to digital capability, data security, and technology adaptation, and developing new financial instruments for this purpose;
- Implementing a national green finance strategy and action plan to support the green transition;
- Carrying out activities to strengthen green banking practices and establishing mechanisms to meet the financing needs of green transition-related investments;
- Encouraging banks to fund socially oriented investment projects at the domestic level;
- Developing new products and services within the sustainable finance domain;
- Expanding financial education initiatives to enhance financial literacy.

awareness among households and firms;

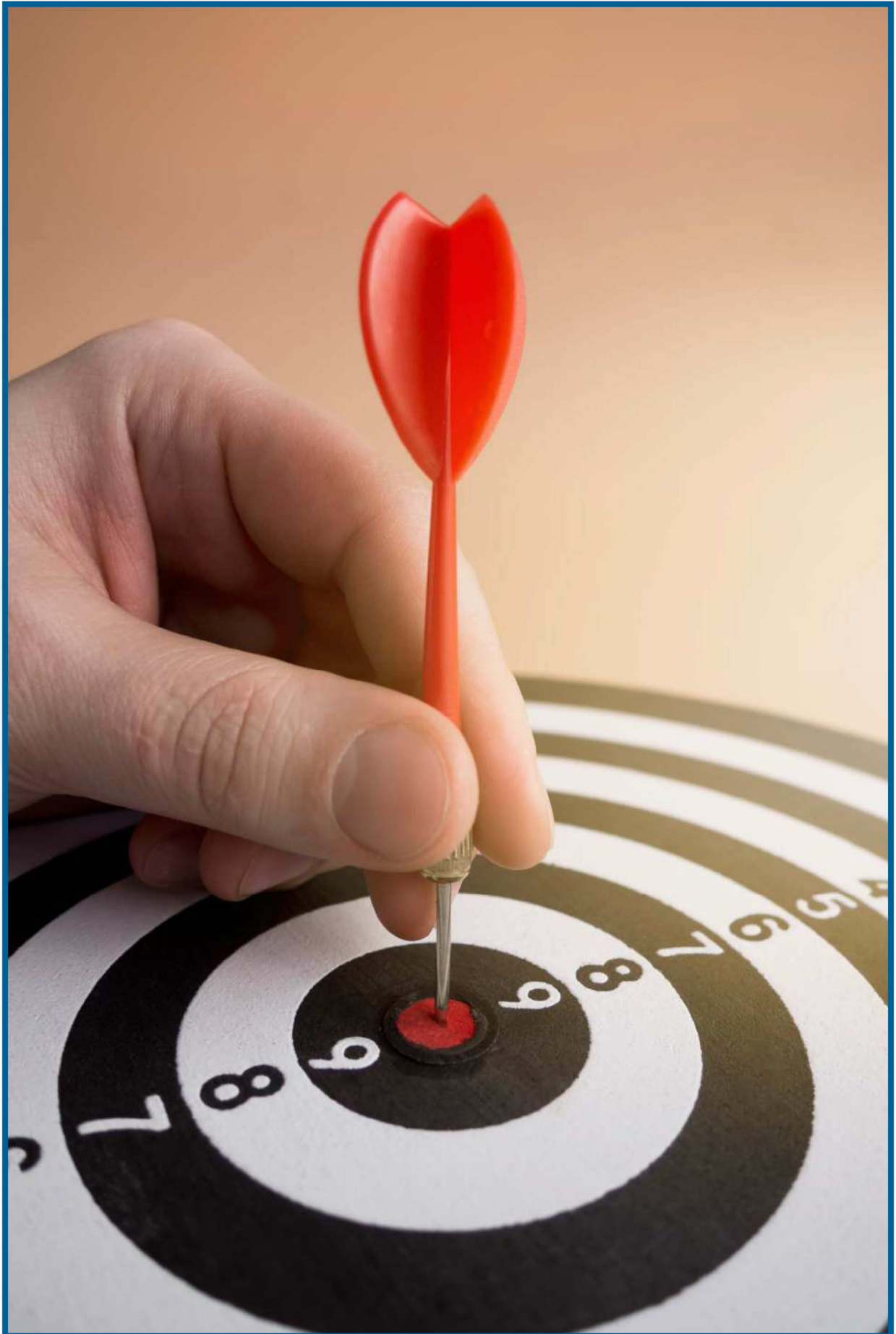
- Utilizing communication channels—including social media—and role models to raise awareness among children and young people regarding savings and investment practices;
- Ensuring that the development of high-technology products and innovative

financial services aligns with national conditions, and promoting evidence-based regulation by monitoring the real-life and market-level implementation of innovative solutions;

- Improving investment banking activities;
- Continuing efforts to increase efficiency and interoperability in the payments ecosystem, raising institutional and security standards for all institutions operating in the sector, and implementing precautions to prevent anti-competitive practices between banks and non-bank payment service providers;
- Reducing operational costs in the financial sector by promoting shared digital infrastructure and integrating common operational platforms, while ensuring that banks and non-bank financial institutions have equitable access

to the infrastructure they require;

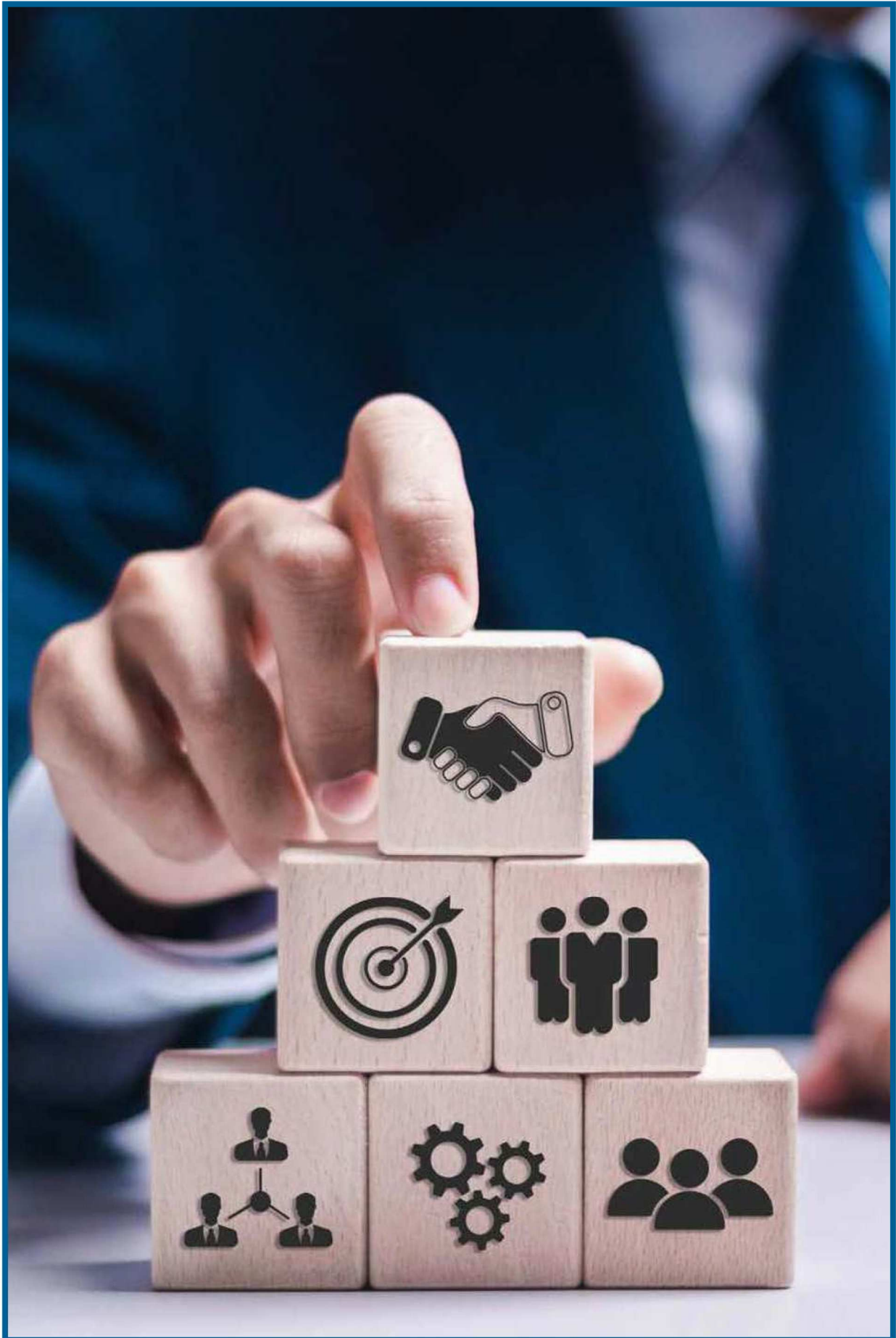
- Introducing regulatory frameworks for sustainable banking, transition plans, and climate-risk management in the banking sector;
- Preparing and putting into effect a Guideline for the Effective Management of Climate-Related Financial Risks;
- Implementing regulations for calculating the Green Asset Ratio (GAR) to measure banks' contribution to the green transition;
- Ensuring alignment with Basel IV on capital adequacy in the banking sector;
- Strengthening alternative and innovative financing mechanisms—including investment banking, corporate and individual venture capital, crowdfunding, impact investing, and angel investing—to support a more dynamic investment environment.



GOALS / TARGETS / STRATEGIES

The strategic goals, targets, and strategies for the 2025-2028 period have been determined in light of the Agency's mission and vision, taking into account the needs of the Agency and the sector,

strategies and policies determined at the national level, the requirements of international integration, international trends and best practices, and the experiences of equivalent authorities.



GOAL 1:

Strengthening financial confidence and stability

Financial confidence and stability constitute essential prerequisites for financial systems to fulfill their expected functions effectively. In this respect, the primary target of the regulatory and supervisory framework for the financial sector—both in our country and globally—is to ensure and safeguard stability and trust at the level of individual financial institutions as well as across the system as a whole. At the same time, the increasingly complex and rapidly evolving structure of the financial sector necessitates the continuous review and reinforcement of the regulatory and supervisory framework in light of emerging developments,

evolving needs, and advancing technologies. Against this backdrop, the key targets for strengthening financial confidence and stability during the Plan period are: enhancing the regulatory framework's alignment with international standards; broadening and reinforcing supervisory and oversight frameworks in terms of both scope and methodological tools; implementing effective risk management policies; improving implementation and operational processes; and introducing regulatory measures to address risks arising from digital technologies.

Target 1.1: Regulatory framework alignment with international standards will be enhanced

The increasing level of global integration has intensified the interdependence among financial systems, making it essential that activities be conducted in broad alignment with internationally accepted principles and standards. Ensuring that the regulatory framework is consistent with the principles and standards set by international organizations and recognized globally not only confirms that institutions operate in accordance with international norms and that their financial indicators remain comparable and reliable, but also strengthens the reputation of the financial system abroad, thereby enhancing the competitiveness of banks and facilitating their access to foreign funding.

The Basel Committee on Banking Supervision (BCBS), created as an international initiative to facilitate the sharing of member countries' banking expertise, has become the foremost and most influential global standard-setting body for the banking sector. Türkiye was admitted to BCBS membership in 2009 and committed, at the G20 level, to ensuring alignment with Basel standards. In addition, Türkiye's membership in the FSB also necessitates compliance with Basel standards.

Within this context, the standards issued by the BCBS are closely monitored, and amendments introduced at the international level in parallel with developments in financial markets are incorporated into the Agency's regulatory framework. Most recently, the BCBS standards on large exposures (credit concentration limits), the NSFR framework on liquidity risk, and the standard on public disclosure of the components underlying this ratio were transposed into the Agency's regulations and became effective as of January 2024. In April 2024, the BCBS launched the Regulatory Consistency Assessment Program (RCAP), designed to assess the transposition of

these standards into Türkiye's regulatory framework and to ensure the consistency and completeness of implemented standards. The questionnaire and related documentation prepared by the Agency within the scope of this assessment were shared with relevant stakeholders in September 2024. The RCAP reports, finalized in line with the timeline set for Türkiye, were submitted to the BCBS for evaluation in March 2025. At the conclusion of the RCAP process, Türkiye's banking regulations were found to be fully compliant with Basel standards. The RCAP reports were made available to the public on the BCBS website in April 2025. The findings presented in the report once again reaffirmed the confidence placed in Türkiye's banking sector by national and international market participants.

In line with the duties and responsibilities assigned to the Agency under the Banking Law, efforts to maintain a strong regulatory and supervisory framework that is fully aligned with international standards will continue throughout the Plan period with the same level of diligence. In this context, the Agency will continue work on the Basel IV standards finalized in the "Basel III: Final" document issued by the BCBS, and—taking EU practices into account where relevant—will introduce the necessary amendments to the regulatory and supervisory framework. Through these efforts, the robustness and risk sensitivity of the approaches used to calculate credit, market and operational risks under the capital adequacy framework will be strengthened, and comparability across banks' capital adequacy ratios will be enhanced.

Following the global financial crisis in 2008, the BCBS published the "Corporate Governance Principles for Banks" to strengthen the corporate governance structures of financial institutions. The principles set out requirements regarding

the responsibilities and qualifications of board members, the establishment of effective risk management frameworks, enhancing the authority and independence of risk management heads, improving national authorities' capacity to assess the effectiveness of banks' risk management and risk culture, and ensuring more frequent engagement between the board and the risk and audit committees. In the period ahead, the "Regulation on the Corporate Governance Principles of Banks" and the 'Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process"

will be reviewed in line with these principles and the corporate governance issues identified to date.

In addition, taking into consideration updates to national accounting standards—which are fully aligned with the international accounting standards issued by the Public Oversight, Accounting and Auditing Standards Authority—as well as the needs of the sector, amendments will be introduced to the account recording frameworks and financial statements of banks and non-bank financial institutions.



Strategies

- To ensure alignment with the Basel IV, the relevant legislation will be updated and implemented as necessary, taking into account EU legislation.
- In accordance with updates in National Accounting Standards, adjustments will be made—where necessary—to the accounting records and financial statements of both banks and non-bank financial institutions.

Target 1.2: The scope and effectiveness of the supervisory process will be improved with new approaches and instruments

The purpose of the supervisory activities conducted by the Agency is to form an informed and comprehensive view of the financial soundness and risk profiles of banks and other financial institutions operating in Türkiye, to identify areas requiring corrective action where necessary, and to provide recommendations on such measures with a view to safeguarding confidence and stability in the financial sector. Within this framework, the Agency forms a holistic view of the financial soundness of the institutions within its supervisory remit, the magnitude of the risks they face, and the quality of their risk management practices. The overarching objective is to ensure that institutions operate with capital, liquidity, governance structures, and a stable funding profile that are commensurate with the risks they assume.

The Agency's supervisory processes are executed through a dynamic, risk-based approach designed to ensure the functional effectiveness, continuity, adequacy, and resource efficiency of supervision. Risk-based supervision is an approach under which the scope, intensity and resource allocation of supervisory activities are determined based on each institution's risk profile and the adequacy and effectiveness of its internal control and risk management systems. This approach enables the concentration of supervisory resources on institutions with higher net risk and/or those deemed systemically significant. It also provides the flexibility required to adjust supervisory priorities rapidly in response to evolving macroeconomic, geopolitical, and technological risks.

To ensure the effective and comprehensive execution of supervisory activities, supervisory manuals and related guidance documents are regularly reviewed in line with international standards and global developments, and institutions are guided in critical areas through best-practice guidelines. In the upcoming period, the scope of supervision and the diversity of supervisory tools will be further expanded, and efforts will

continue to identify vulnerabilities in financial institutions at an early stage to prevent them from escalating into systemic risk.

During the Plan period, one of the key supervisory focus areas will be risks arising from digital transformation. The Agency closely monitors and supports global regulatory initiatives and practices aimed at ensuring the responsible and secure use of technological innovations—including artificial intelligence and machine learning—within the financial sector. While digital transformation and innovation in finance offer major benefits in areas such as operational efficiency, customer satisfaction, and combating fraud and money laundering, they also create risks for financial institutions' ability to maintain critical operations, particularly in an environment of increasing cyber-related threats. The significant steps taken by financial institutions—particularly banks—under the Agency's supervision to digitize their operations and services, the increasing reliance of these institutions on technology service providers, and the continued expansion of the banking sector through entities operating in the field of digital banking have made it even more critical to strengthen the operational resilience and risk management capabilities of financial institutions.

Accordingly, the measurement and enhancement of operational resilience, which refers to the ability of financial institutions to continue their critical operations in the event of system interruptions, will remain among the Agency's key priorities in the coming period, in line with global regulatory trends. In this context, efforts will focus on identifying and eliminating at early stages the risks arising from financial institutions' reliance on external technology service providers, technology-related risks, and vulnerabilities related to operational resilience.

With the adoption and entry into force of the Climate Law by the Turkish Grand National Assembly, climate-related financial risks and the institutional

capacity and practices required to manage these risks effectively will constitute another major focus area in supervisory processes going forward. Physical and transition risks driven by climate change are becoming increasingly evident and have the potential to affect the stability of individual financial institutions and the financial system as a whole. Therefore, in line with global regulatory trends, the Agency will focus on strengthening the capacity of financial institutions to effectively manage climate-related financial risks to which they are, or may in the future be, exposed. Within this framework, the activities of financial institutions will be assessed, supported and guided in line with the regulations and guidelines issued or to be issued by the Agency. These efforts aim to ensure that climate-related financial risks are identified, measured, managed and mitigated by institutions in proportion to the scale, complexity and risk profile of their activities.

The high degree of integration between

the Turkish banking sector and international financial markets, the presence of numerous foreign banks operating in Türkiye, and the substantial overseas activities of domestic banks through branches, subsidiaries, and representative offices highlight the importance of effective information sharing, cooperation and coordination between the Agency and its foreign counterpart authorities in supervisory matters. Furthermore, since banks operating in Türkiye maintain activities not only in the financial sector but also in various other sectors, similar cooperation and coordination mechanisms with domestic regulatory and supervisory authorities are required within the framework of consolidated supervision. In this context, the Agency will continue during the Plan period to undertake the necessary efforts to maintain and strengthen cooperation and information sharing with relevant domestic and foreign authorities within the framework of information-sharing protocols and memoranda of understanding (MoUs).



Strategies

- The range of technology-enabled supervision instruments will be expanded in parallel with international regulations and practices.
- Risks arising from financial institutions' reliance on external technology service providers, as well as technology-related risks and vulnerabilities concerning operational resilience, will be identified and addressed at an early stage.
- Climate-related financial risks for financial institutions and the institutional capacity to manage them will be integrated into supervisory processes.
- The number of international counterpart authorities with whom memoranda of understanding have been signed for collaboration and information sharing in supervision will be increased.

Target 1.3: Surveillance processes will be further developed in response to emerging needs and new approaches

Surveillance activities encompass the analysis of developments in banks' and the banking sector's indicators—particularly financial performance—compliance with legislation, and risk profiles, together with macroeconomic conditions and implemented policies. These activities are carried out using a data set comprising information obtained at varying frequencies from institutions within the Agency's supervisory remit, data received from other public entities under bilateral protocols, audit reports, and other internal and external information sources.

As part of bank-level surveillance activities, the Agency prepares reports, briefing notes and opinions for each bank, monitors banks closely on a daily, weekly, monthly and quarterly basis through a risk-based approach, and oversees their compliance with the legal limits set out in the applicable regulations. Within the scope of sector-level surveillance, the Agency prepares surveillance reports, briefing notes and presentations on a wide range of topics—including market developments, key indicators, loans, external debt, deposits, capital, aging analysis, derivative products, profitability and stress testing—on a weekly, monthly, quarterly, semi-annual and annual basis. Sectoral reports, which examine the banking sector from multiple angles, provide detailed analysis of recent developments and structural changes. Bank-level and sector-level surveillance reports complement one another, allowing the potential and risks of the banking system to be evaluated simultaneously at both the macro and micro levels. This approach also enables the proactive identification of emerging risks. Surveillance activities also include various impact and scenario analyses to quantify the potential effects of macro- and micro-prudential measures on individual banks and the sector as a whole.

Stress testing constitutes another key component of the surveillance processes. These exercises—an essential tool for assessing the resilience of banks and the banking system against low-probability,

high-impact macroeconomic shocks—also function as an early-warning mechanism. Stress-testing and liquidity stress-testing exercises are conducted at least once a year, and more frequently as needed in response to evolving conditions. The outcomes constitute a significant input for supervisory and oversight activities.

In the coming period, the scope of risks considered in surveillance processes and the range of tools employed will be broadened in response to emerging needs and evolving supervisory approaches. In this context, climate-related financial risks will also be incorporated into surveillance processes and will be measured, analyzed and monitored. Global warming—now a prominent item on the international agenda—has intensified the severity and frequency of climate-related events, leading to growing adverse impacts on economic activity, physical and human infrastructure, and broader social systems. In addition, policies and regulations aimed at preventing or adapting to climate change, technological innovations, and changes in social perceptions and preferences also give rise to various risks.

Within this framework, financial institutions are among the actors most exposed to these risks—both directly and indirectly through the counterparties with whom they interact. In particular, the risks faced by systemically important financial institutions may pose a threat to overall confidence in, and the stability of, the financial system. Accordingly, the effective understanding, analysis, monitoring and management of climate-related financial risks has in recent years become one of the principal areas of focus for international standard-setting bodies and other global financial organizations. The Agency closely follows the work of these organizations and platforms and has initiated efforts to integrate climate-related financial risks into the supervisory stress-testing framework. Stress tests, which form a routine component of surveillance activities, are used to assess the resilience of banks and the banking system under

predefined scenarios.

In this context, the Türkiye Climate Risk Assessment and Stress Testing Project has been launched in cooperation with the World Bank. The project aims first to assess the current state in line with international standards and guidance, identify data needs, design the analytical methodology, and conduct preliminary analysis using available data, with a view to integrating the framework into the existing stress-testing system.

One of the most significant challenges in managing climate-related financial risks, both domestically and globally, is the “data gap”. Effective analysis and monitoring of these risks necessitate access to extensive non-financial data across multiple domains, as well as the generation, processing and analysis of datasets that may not previously have existed. Although sustainability reporting practices and the carbon trading system planned to be implemented are expected to significantly narrow the data gap, it remains essential

for financial institutions and authorities to identify their data needs in cooperation with relevant stakeholders and to develop appropriate regulatory measures and operational practices to close this gap. Identifying and addressing the data needs of institutions subject to the Agency’s regulation and supervision—particularly those in the banking sector—will be among the Agency’s priorities in the coming period.

Recently, digitalization and new technological applications have gained prominence in banking as in all other sectors. Innovative digital initiatives by incumbent banks, newly established digital banks, and rapidly expanding financial technology models—such as service-model banking—are among the key areas where such developments are taking place. Accordingly, it is anticipated to expand the scope of surveillance activities and develop updated tools and methodologies to cover new banks and emerging financial technology applications.

Strategies

- Surveillance techniques will be upgraded using state-of-the-art tools and methodologies.
- Data required for effective analysis and monitoring of climate-related risks will be identified, and banking reporting forms will be reviewed and improved to enable the collection and production of such data.
- Efforts will continue to expand the scope of stress testing by integrating climate-related risks into the stress testing framework.
- The scope of surveillance activities will be expanded, and updated tools and methodologies will be developed to cover new banks and emerging financial technology applications.



Target 1.4: Effectiveness of risk management policies and practices will be improved

The 2008 global financial crisis and the banking-sector turmoil that began in the United States in 2007 and subsequently spread to Europe have further underscored the importance of risk management—particularly with respect to the monitoring and assessment of risks, the prevention of potential crises, and timely intervention when crises emerge. In this context, the Agency has undertaken the necessary adjustments to its organizational structure in line with the growing importance of the issue. It now closely monitors international developments in the field of risk management, conducts research on legislative and practical matters, and carries out on-site inspections when required.

Within this framework, applications submitted by banks for internal rating-based approaches are evaluated; the models, techniques and processes used by institutions for risk measurement and management are examined—when necessary—through on-site examinations; the related approval processes are carried out and finalized; the measures prescribed under the relevant legislation are implemented and enforced; and the necessary supervisory activities are undertaken. Within this scope, the appropriateness of institutions' model methodologies and validation practices for the use of credit ratings assigned by credit rating agencies under the standardized approach to credit risk measurement is also assessed, forming an input to the institutions' authorization and validation processes.

In addition, on-site examinations may be carried out at banks as part of the implementation of legislation pertaining to capital adequacy and risk management. Furthermore, transposing international principles and standards on risk management—particularly those issued by the Basel Committee on Banking Supervision (BCBS)—into national legislation is of great importance. Indeed, in international assessment processes of countries' financial regulatory and supervisory frameworks—including RCAP and FSAP—risk management activities constitute key areas of focus, both in the regulatory framework and in supervisory practice.

In the coming period, the suitability of the risk management policies and strategies, as well as the risk management processes of medium and large-scale banks, will be subject to supervisory review within the scope of the Basel II Second Pillar and the Basel IV, with the aim of monitoring and enhancing the risk management capacity of the banking sector.

Over the past 15 years, crypto-assets have developed rapidly and have gained significant importance within the financial system. They have been incorporated into regulatory and supervisory frameworks and have become a key area of focus in risk management. Accordingly, in the coming period, the Agency will undertake the necessary preparatory work to align with international regulations on crypto-assets, to incorporate crypto-assets into the regulatory and supervisory framework, and to identify the potential risks associated with them.

One of the most prominent areas in risk management today is climate-related financial risks. International institutions and platforms such as the BCBS, NGFS and SBFN undertake substantial efforts to ensure that climate-related financial risks are appropriately understood and embedded, measured, and effectively monitored and managed. During the plan period, the Agency's key priorities will be to

engage more effectively in these international initiatives, to support the establishment of the necessary risk-management infrastructure in banks in line with international standards and regulations, to determine the fundamental approaches to risk management, and to address the data-gap challenges encountered in the risk-management process.



Strategies

- Following the coming into effect of Basel IV, the appropriateness of banks' risk management policies, strategies, and processes will be included in supervisory review audits.
- Pioneering studies will be conducted regarding the regulations on crypto-assets in the banking sector, and potential risks will be identified in line with international principles and standards.
- Models, techniques, and processes used by banks for risk measurement and management under internal rating-based approaches will be subject to audit during their application and transition processes.

Target 1.5: The implementation function will be developed in harmony with the regulatory and supervisory functions

The implementation function primarily concerns the assessment and finalization of establishment, licensing and authorization applications submitted by banks, financial holding companies, non-bank financial institutions and other entities subject to the Banking Law, Law No. 6361 on Financial Leasing, Factoring, Financing and Savings Financing Companies, and Law No. 5464 on Bank Cards and Credit Cards. It also covers the temporary or permanent revocation of existing licenses and authorizations, as well as the execution of administrative fine processes and, where applicable, the referral of matters for judicial action based on the final evaluations of supervisory findings.

Within this framework, the implementation function aims to align with reforms designed to ensure sound regulation and effective supervision, striving to achieve international best practices through a commitment to continuous improvement. Processes and procedures related to implementation

activities, shaped in accordance with applicable legislation, are dynamically adapted to changes in laws and supervisory methodologies. Ensuring that actions taken and decisions rendered are consistent, objective and harmonized contributes significantly to maintaining confidence in financial markets. Furthermore, experiences and observations arising from new circumstances encountered during the execution of implementation activities are used to provide feedback on regulatory amendments deemed necessary and on improvements to the supervisory framework, thereby contributing to the ongoing development of these functions.

In the coming period, the procedures and standards governing the implementation function will continue to be dynamically updated and further strengthened in alignment with developments in technology and finance, the needs of the banking sector, and changes within the overall regulatory and supervisory architecture.



Strategies

- Procedures and standards related to the implementation function will be dynamically updated and improved in alignment with developments, needs, and the regulatory and supervisory framework.

Target 1.6: The cybersecurity of the financial system will be enhanced

The increasingly widespread and effective use of digital technologies in the financial system, while significantly enhancing financial inclusion and efficiency, also gives rise to certain risks and security concerns. The rise of fraud and cyber-incident risks in financial markets—transcending national borders—has prompted authorities worldwide to adopt measures to address these threats. Minimizing cyberattacks and fraud incidents, and ensuring timely and effective response measures, supports confidence in the financial system by protecting both financial institutions and service users from potential losses.

In Türkiye, coordination activities related to cyber risks are carried out under the National Cyber Incidents Response Center (USOM) within the Information and Communication Technologies Authority (BTK). According to the current National

Cyber Security Strategy and Action Plan, the finance sector is identified as one of the six critical infrastructure sectors. Within this framework, national coordination at the USOM level includes monitoring the effects of technological developments, identifying emerging trends in cyber threats, addressing national needs and international practices, mitigating the impact of cyber threats, strengthening national capabilities and enhancing national cyber resilience. The Agency also actively carries out the necessary work within its mandate and authority.

Throughout the plan period, cybersecurity measures are expected to be further strengthened in parallel with digital transformation efforts, ensuring the security of operational systems and applications and strengthening protection mechanisms against data breaches.



Strategies

- Cooperation on cybersecurity between public bodies and financial institutions will be continued.
- Existing information system legislation will be reviewed and updated in line with global best practices and national requirements.



GOAL 2:

Ensuring inclusive and sustainable development in financial markets

Developing the financial sector in a manner that enhances competition, inclusiveness, and efficiency—without compromising trust and stability—is essential not only for improving consumer welfare and supporting economic development to the greatest extent possible, but also for safeguarding the sector's long-term stability. In this context, it is envisaged that the use of digital technologies will expand the population

served by the financial sector and enhance efficiency; that the development of a sustainable finance infrastructure will support the more effective use of green financing opportunities and facilitate access to international funds; and that the customer base and the diversity of products and services in the financial sector will grow through the strengthening of the participation finance ecosystem.

Target 2.1: The regulatory framework for the digital finance ecosystem will be strengthened

The expansion of digital banking services not only facilitates access to financial services but also enhances financial inclusion, reduces costs, and directly contributes to efficiency and economic growth. Against this backdrop, the Agency has undertaken significant regulatory initiatives in recent years to adapt emerging technologies to the banking system. These efforts include establishing procedures and principles for service-model banking and branchless banks operating exclusively through digital channels; for remote customer onboarding and identification methods; for establishing contractual relationships through information technology or

electronic communication devices; for reducing risks stemming from customer representatives; and for enabling services to be delivered through end-to-end digital processes.

Accordingly, during the plan period, the existing regulatory infrastructure for digital transformation processes and fintech companies will be further enhanced; banking-as-a-service arrangements will continue to be supported; and the procedures and principles for the use of artificial intelligence in the provision of such services will be defined.



Strategies

- Legislative infrastructure will continue to be developed to expand the reach of digital banking services.
- The regulatory framework for fintech companies will continue to be updated to foster innovation and promote competition.
- Banking services will continue to be enabled as a service model.
- Principles and procedures for the use of artificial intelligence will be established.

Target 2.2: A regulatory and supervisory framework will be established to support the development of the non-bank financial sector

Non-bank financial institutions (NBFIs)—comprising financial leasing, factoring, financing, savings financing, and asset management companies—play an important role in meeting the diverse financial needs of businesses and households, particularly SMEs. Compared with banks, the faster lending processes of NBFIs—with fewer procedural requirements—make them an especially important source of financing for micro-scale production activities.

Unlike banks, NBFIs mainly fund their activities through loans and equity; however, in recent years, they have increasingly benefited from capital market instruments. With the recent inclusion of savings financing companies within the regulatory and supervisory framework, the funding diversity of these institutions has further expanded.

As of 2024, NBFIs account for approximately 2.4% of the financial sector in terms of total assets and hold significant development potential for enhancing financial diversity, depth, and inclusiveness. Diversifying financing options, facilitating access to these resources, and expanding both the customer base and lending/placement

capacity constitute priority approaches for unlocking this potential.

To both improve financing opportunities and broaden the customer base, it is essential to enhance awareness of and confidence in these institutions and to strengthen their financial and corporate structures in line with evolving needs and international standards. In this regard, the financial condition of non-bank financial institutions and the compliance of their activities with applicable legislation are addressed through a risk-focused approach under the agency's supervisory, oversight, and implementation functions, and the regulatory framework is updated accordingly.

Within this framework, over the coming period, regulatory work will be carried out to strengthen the financial and corporate structures—and the reputations—of these entities, particularly asset management and savings financing companies. While supporting the digitalization process, risk management processes will be enhanced, and the adoption and further development of practices that improve efficiency and reinforce confidence in business processes will be promoted.



Strategies

- To strengthen the corporate structures of asset management companies, regulatory work will be carried out regarding capital structure, share acquisitions, and processes before and after portfolio transfers.
- Efforts will be undertaken to strengthen the financial structure of savings finance companies, protect customer rights, and enhance monitoring and supervisory processes using more advanced tools.
- Regulations will be introduced to improve the internal systems and risk management processes of NBFIs.
- To promote the digitalization of NBFIs, legislation will be updated as required by the sector, and procedures and principles will be defined for transactions conducted and services offered via information systems.
- The dissemination of applications such as FLCRS, CIRS, and TCFS, as well as their enhancement in terms of scope and technical capability, will be encouraged.
- Protective practices for clients benefiting from the financial products and services offered by NBFIs will be strengthened.

Target 2.3: Infrastructure for sustainable finance practices will be developed

The transition to a sustainable, low-carbon economy is a strategic matter that closely concerns Türkiye's long-term economic and financial development, security, and stability. Beyond fulfilling international commitments, it has significant implications for reducing external energy dependence and balance-of-payments deficits, increasing access to international funds, preserving and enhancing foreign trade potential, and ensuring the effective management of risks faced by financial institutions.

A significant role and responsibility rests with the financial sector in ensuring the successful financing of this transition, given its functions of mobilizing savings, securing external funding, and channeling resources to the right areas. Developing the regulatory framework for sustainable finance practices will provide the foundation needed to fulfill this role and responsibility. It will also significantly contribute to the long-term development and stability of the financial sector by ensuring the effective use of opportunities offered by the green transition and by facilitating access to international funds.

In this regard, the Green Asset Ratio (GAR) is one of the key tools designed to measure banks' contribution to the green transition in an objective, comparable, and consistent manner based on internationally accepted standards. Accordingly, the "Communiqué on Banks' GAR Calculation"—prepared by taking into account the calculation methodology adopted by the EBA, the green asset criteria set out in the EU Taxonomy, and Türkiye's existing regulatory and implementation infrastructure—has entered into force. Initially to be reported exclusively to the Agency, the GAR is expected to enable comparative monitoring of banks' contributions to the green transition, create incentives for banks to increase sustainability-oriented financing, provide the necessary infrastructure for developing green finance products, services and instruments, facilitate data generation, and play a facilitating role in directing

international sustainable/green funds to Türkiye.

Beyond the GAR calculation, in the coming period, policy options to facilitate and expand financing for sustainability-related areas will be assessed, taking into account international standards and emerging trends while ensuring alignment with the existing prudential regulatory framework. Work will then be undertaken to implement the options deemed appropriate, thereby supporting Türkiye's sustainable development objectives.

Social finance practices—crucial for ensuring a healthy, fair and balanced transition to a sustainable economy and constituting a core component of sustainable finance—hold significant development potential in Türkiye, particularly within the context of participation finance, alongside conventional finance. Within this framework, in the coming period, opportunities to develop social finance activities will be explored, and efforts will be undertaken to expand social finance practices within the participation finance system and participation-based fintech companies.

During the plan period, the progress made by both banks and non-bank financial institutions in the field of sustainable finance, the challenges and needs they face, potential solution options, and good-practice examples will be closely monitored through questionnaires, reporting forms and face-to-face meetings. The information and data obtained through these channels will be utilized in the Agency's regulatory, supervisory and policy-making processes, as well as in international workstreams to which the Agency is a party.



Strategies

- It will be ensured that banks' contributions to the green transformation are measured objectively, consistently, and comparably in accordance with internationally recognized standards.
- Alternatives to facilitate and enhance financing in sustainability-related areas will be evaluated, ensuring alignment with international standards and the prudential regulatory framework.
- Opportunities to develop social finance activities will be explored, and efforts will be undertaken to support social finance practices within the participation finance and fintech ecosystems.
- Sustainable finance practices of banks and NBFIs will be closely monitored.

Target 2.4: The participation finance ecosystem will be developed with a holistic approach

Diversifying the financial sector and developing its various sub-sectors is important not only as a safeguard against macroeconomic fluctuations, but also for meeting the financial needs of different segments and enhancing their access to the financial system. The participation finance system, as an alternative financial system with its own suite of products and services, has become one of the strategically supported sectors for many countries today.

Türkiye's geographical position and sociological profile, together with the demand for alternative financial products and the sector's relatively small market share, point to significant development potential for participation finance in Türkiye. In this context, efforts to develop the participation finance system in Türkiye have gained momentum, particularly since 2013, and policies and objectives for the sector have been incorporated into national development plans. To ensure that these efforts could be carried out in a more institutional and systematic manner, a department dedicated exclusively to participation finance institutions was established within the Agency in 2015. This enabled the development of the regulatory infrastructure, and numerous regulations required by the sector—from

fund disbursement and mobilization methods to the uniform chart of accounts—were introduced in line with international standards. During this process, the Agency became a member of the IFSB and AAOIFI in order to promote best practices and ensure standardization in the regulation and supervision of participation finance activities.

Furthermore, in 2018, a Central Advisory Board was established within the TKBB, pursuant to the Agency's decision, to ensure standardization in participation finance practices, guide the sector in operating in accordance with participation finance principles, and improve perceptions of the sector. In 2019, the "Communiqué on Compliance with Interest-Free Banking Principles and Standards" was issued to regulate the procedures and principles governing the structures and processes that participation banks and development and investment banks must establish to operate in line with interest-free banking principles and standards. Through the certification programs introduced under this Communiqué, the competence and capacity of personnel responsible for compliance and supervision of participation finance principles and standards have been enhanced. The

Communiqué also enhanced institutional governance capacity in participation finance by setting out rules for the advisory committees at participation banks, including provisions on their members as well as their working procedures and principles. Additionally, in 2021, the “Communiqué on the Procedures and Principles Regarding the Informing of Customers and the Public within the Scope of Interest-Free Banking Principles and Standards” was published to enhance transparency and raise awareness regarding participation finance practices.

Over the past five years, with the entry of new state-owned participation banks and digital participation banks, the share of participation banking in the banking sector has increased from around 5 percent to 8.1 percent as of end-2024. The aim is to further strengthen this growth momentum and raise the sector’s overall

share to 15 percent. To this end, in the coming period, regulations are planned to enable non-bank financial institutions to operate on a participation-based model and to allow the establishment of development and investment financial institutions that will operate in accordance with participation finance principles, thereby supporting the holistic development of the participation finance ecosystem. Furthermore, participation finance institutions will be monitored and assessed more effectively to ensure and enhance their compliance with sector-specific legislation, principles, and risk management practices. In this way, the development of the sector will be supported by better addressing the expectations and sensitivities of existing and potential participation finance customers and by strengthening confidence in the participation finance system.



Strategies

- Regulations regarding development and investment banks operating exclusively under the participation finance model will be implemented.
- A regulatory infrastructure will be established to enable NBFIs to operate on a participation-based model.
- Participation finance institutions will be monitored and assessed more effectively to ensure and enhance compliance with sector-specific legislation, principles, and risk management practices.

Target 2.5: Solutions will be developed to enhance analytical capacity and transparency for retail banking practices

In Türkiye, the significant increase in the share of the population accessing banking services—particularly over the past decade—has made personal banking a critical and dynamic area of focus. The growing diversity and expanding use of financial products and services necessitate that the Agency closely monitor the products offered and transactions conducted through personal banking, and continuously review and update the regulatory and supervisory framework in response to evolving needs.

Subjecting financial consumer applications—which have exceeded 200,000 per year in recent periods and are submitted through various channels—to complaint-based individual reviews significantly limits the system's enforcement and resolution capacity. Accordingly, in the coming period, it is planned to prepare consolidated reports on regulatory non-compliance based on findings derived from aggregated data, with the aim of strengthening enforcement capacity, preventing violations at their source, and ensuring the highest possible level of regulatory

compliance among banks.

The analyses to be conducted will aim not only to identify the root causes of regulatory non-compliance but also to provide feedback to banks, thereby accelerating the compliance process.

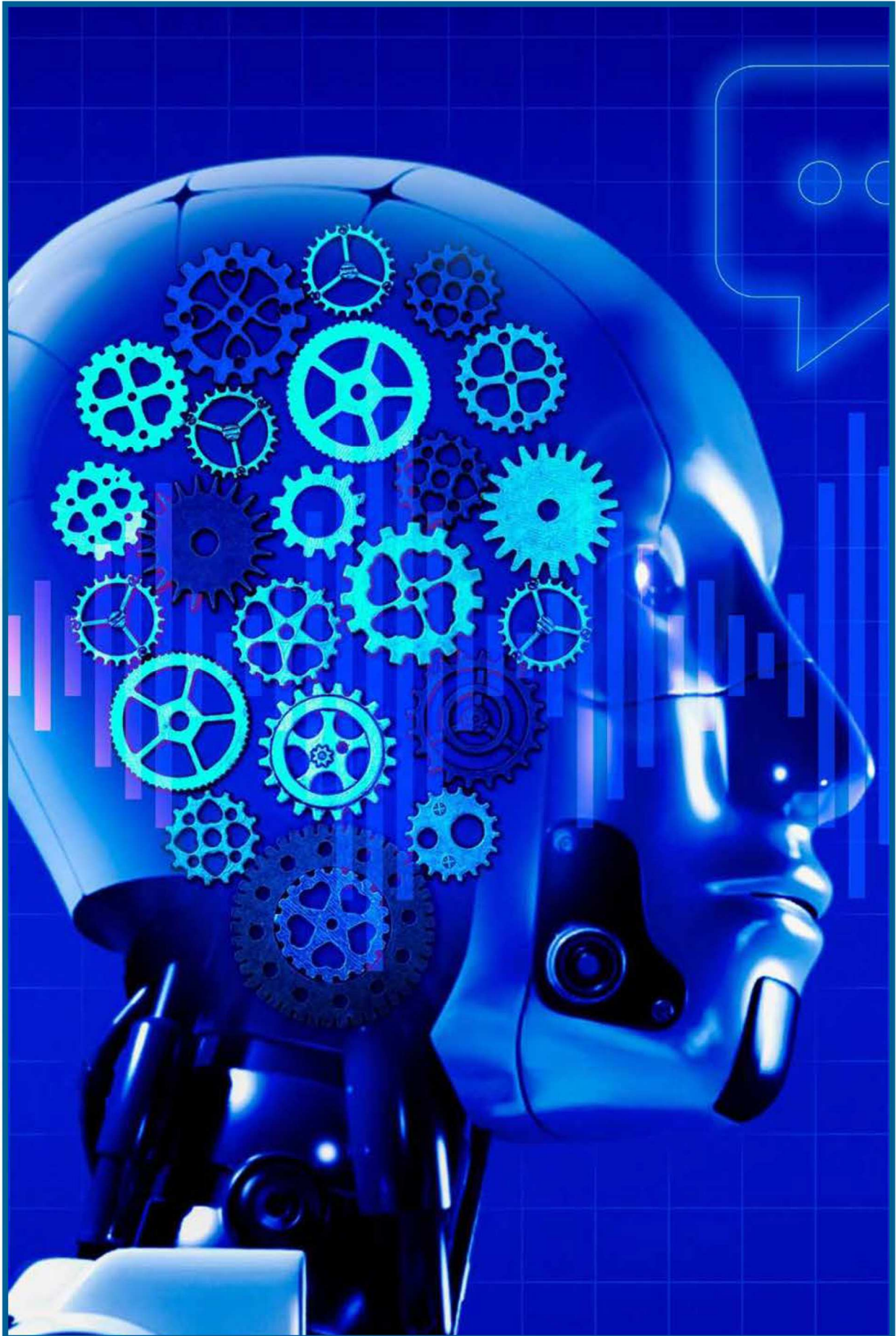
Moreover, accurate and up-to-date data flow to the Agency is of critical importance both for achieving the aforementioned objectives and for effectively assessing the sector as a whole. Currently, the Agency monitors and utilizes many key sector indicators through forms received from all banks operating in the sector on a daily, weekly, monthly, and quarterly basis.

In the coming period, additional forms to be reported via BVTs are planned to be designed and requested from banks at varying intervals, enabling more detailed analysis of individual banking data in areas such as complaints, income and expense generation mechanisms, and customer profiles. This will allow for closer and more real-time monitoring and analysis of the profitability of banks engaged in retail banking, customer profiles, business lines, and sector trends.



Strategies

- Compliance processes and levels of banks regarding retail banking legislation will be evaluated using aggregated data.
- Root cause analyses will be conducted on retail banking activities, and feedback will be provided to accelerate the sector's alignment with legislation.
- Bank reporting forms will be reviewed and redesigned to improve the monitoring and analysis of retail banking activities, with regard to scope and frequency.



GOAL 3:

Strengthening institutional capacity

Given the dynamic nature of the sector within the Agency's mandate, its complex processes requiring expertise across diverse fields, its high level of integration with international markets, and its significance within the national economy, it is essential for the Agency—as the regulatory and supervisory authority—to maintain a high level of institutional

capacity in line with international standards. Within this framework, the primary objectives for the Plan period have been identified as strengthening human resources, ensuring the effective and secure use of information, enhancing research and monitoring capabilities, and reinforcing institutional culture and inclusiveness.

Target 3.1: The Agency's human resources will be strengthened

Driven by technological advancements, the increasing complexity and diversification of products, services, and processes have significantly reshaped human resource requirements and further underscored the importance of specialization. At the same time, employees with progressively higher levels of education seek to assume responsibilities that correspond to their knowledge and skill sets. These developments have made it imperative to manage human resources within the framework of medium- and long-term strategies. Human resource strategies encompass elements such as recruiting suitably qualified personnel, establishing a shared management philosophy, developing systems and practices aligned with this approach, supporting and rewarding employees, making investments that meet the needs of the new financial architecture, and offering opportunities for professional growth and self-development.

Human resources is the core element of institutional capacity and forms the foundation of institutional productivity, creativity, and innovation, ensuring the effective and efficient use of all other resources. In the financial sector, which is more qualified, dynamic, and innovative than many others, regulatory and supervisory authorities require human resources of appropriate quality, scale, and diversity to effectively monitor and analyze complex and high-risk financial processes, products, and services.

However, despite the recent expansion of its duties and responsibilities and the increase in workload, the Institution has faced strong competition in both attracting qualified candidates and retaining its skilled personnel, due to certain legal and financial constraints to which it is subject.

In the coming period, it is envisaged that human resources policies will be formulated to secure additional personnel and to enhance the development, productivity, and collaboration capabilities

of existing staff, with the aim of effectively strengthening the Agency's human resource capacity. Moreover, medium- and long-term human resources planning will be made by taking into account the number of staff required by the agency to perform its duties and responsibilities, the demographic structure of existing personnel, and the workforce turnover rate, and new personnel will be recruited on an ongoing basis.

Providing career development opportunities for the Agency's personnel is of great importance. In this context, it is planned to establish an online training portal that enables self-directed learning for personnel and to create a comprehensive knowledge base covering both the minimum curriculum to be acquired and the subjects in which specialization may be pursued in subsequent periods.

Currently, personnel stay closely informed about recent developments through training and seminars on finance, banking, personal development, and related topics delivered by both internal and external trainers. In the coming period, it is envisaged that an institutional trainer profile will be established to make greater use of senior staff—particularly those with academic backgrounds and international certifications—in internal training programs.

Another important element for the development of the Agency's human resources is the availability of overseas training opportunities. Although personnel currently participate in a limited number of overseas meetings and seminars, Agency staff are also eligible to take part in long-term training programs abroad, subject to specific quotas, under the "Regulation on Civil Servants to be Assigned Abroad for Training." In view of current training needs, it is deemed beneficial to expand these opportunities.

On the other hand, implementing an effective outreach and communication strategy to attract high-caliber young

candidates to the Agency is also considered important. In this context, the Agency aims to expand and institutionalize participation in university career day events and online introductory sessions held prior to recruitment, in order to ensure wider dissemination of information on career opportunities within the Agency.

To enhance the foreign-language proficiency of Agency personnel, in addition to the payments for foreign-language courses currently provided under the Central Government Budget Law, the establishment of profession-oriented language speaking clubs within the Agency is planned for the coming period.



Strategies

- Human resources policies will be developed to recruit additional personnel and to improve the development, productivity, and collaboration capabilities of existing staff.
- Medium- and long-term human resources planning will be made by taking into account the number of staff required by the agency to perform its duties and responsibilities, the demographic structure of existing personnel, and the workforce turnover rate, and new personnel will be recruited on an ongoing basis.
- Domestic and international training opportunities, including distance education programs, will be improved by developing annual training plans tailored to the needs of service units and personnel.
- Seminars and training programs will continue to be implemented with the participation of internal and external experts and academics on finance, banking, personal development, etc.
- An institutional trainer profile will be established to benefit more effectively from senior staff with academic backgrounds and international certifications in internal training programs.
- A platform will be created within the Agency's database to regularly share training materials and keep them up to date.
- Institutional promotion programs will be regularized, providing candidates with comprehensive information about the agency's duties, responsibilities, and HR policies.
- Professional foreign language-focused speaking clubs will be established to improve personnel's language skills.

Target 3.2: Applications will be developed for the effective and safe use of information

The presence of processes and practices that enable the systematic, rapid, and secure acquisition, evaluation, and analysis of information required for the Agency's activities, as well as the delivery of such information to users in a timely, accurate, up-to-date, and comprehensible manner, is among the key factors that significantly influence institutional performance.

The rapid advancement of digital technologies—including cloud computing, quantum computing, and artificial intelligence—not only creates new opportunities in this area but also necessitates the continuous updating and enhancement of existing systems and applications, further underscoring the importance of information security.

Conducting its decision-making and operational processes based on data and managing intensive data flows and usage, the Agency continuously reviews and enhances its current applications and integrates the critical importance of information security in the financial sector into all of its activities.

In the area of information security, the Agency continues to work in coordination

with the General Directorate of Information Technologies of the Ministry of Treasury and Finance and the National Cyber Incident Response Center, and conducts its activities in compliance with the ISO 27001 Information Security Management System and the Information and Communication Security Audit Guide issued by the Presidency's Digital Transformation Office.

In this context, through the "BRSA Data and Analytics Strategy" planned for the coming period, the effectiveness and diversity of the applications and tools supporting the Agency's functions will be enhanced, and the institutional data governance process will be further strengthened. Within this scope, key priorities will include improving the quality of data collected from banks and other organizations, strengthening the technological infrastructure, enhancing application development processes, streamlining and optimizing internal data handling and analysis procedures, and establishing a reliable and efficient environment where artificial intelligence is leveraged in decision-making.



Strategies

- The BVTs infrastructure will be reinforced in alignment with current technological developments.
- An Agency-wide data governance process will be established, and data management discipline will be improved.
- Flexible and scalable applications will be developed using modern approaches within a microservices architecture to meet the needs of the Agency's business units.
- Collaboration between development and operations teams will be enhanced. Comprehensive testing processes will be improved to reduce potential error rates. Data access and usage policies will be updated.
- Secure platforms that provide advanced data analytics capabilities will be deployed.
- The use of in-house business intelligence applications will be expanded, and an AI tool designed exclusively for in-house use will be deployed.
- Technologies such as big data analytics, artificial intelligence, and machine learning will be integrated into in-house applications in compliance with information security standards.
- The technological infrastructure for public-facing publications and e-government services will be strengthened.

Target 3.3: Research and monitoring capacity will be increased

In today's environment, where economic activities are becoming increasingly complex and financial market participants more diverse, regulatory and supervisory authorities must effectively monitor and analyze national and international developments to fulfill their mandates in a sound and effective manner. Experiences such as the 2008 global financial crisis and the Covid-19 pandemic have underscored the importance of monitoring and assessing developments at both national and global levels in the banking and finance sectors to manage risks and opportunities effectively. International standard-setting bodies likewise emphasize the importance of such monitoring activities for strengthening the capacity of regulatory and supervisory authorities for proactive intervention and develop standards in this regard.

It is assessed that establishing and effectively operating the infrastructure for monitoring, analyzing, assessing and reporting national and international developments and key indicators, as well as enhancing research capacity, will

substantially enhance institutional performance by strengthening institutional memory and providing inputs to regulatory, supervisory and implementation processes.

In this context, in the coming period, it is envisaged that the Agency's priority research topics will be identified, technical capacity in data-driven analysis and modeling will be strengthened, risks will be identified by monitoring national and international economic and financial data, articles, reports and workshops, cooperation with national and international stakeholders will be pursued where necessary, and academic research will be further promoted through effective coordination with universities. Furthermore, analyses will be conducted on the impact of banking sector regulations on the real economy and macroeconomic indicators by monitoring assessments of Türkiye and the global economy and developing forecasts based on reports prepared by national and international institutions, investors and credit rating agencies.



Strategies

- The BVTs infrastructure will be reinforced in alignment with current technological developments.
- Supportive initiatives will be undertaken to define a researcher profile required for research and monitoring activities.
- Access to national and international digital platforms will be increased to diversify data sources for research and monitoring.
- Annual research agendas will be developed in line with the agency's priorities, and research activities will be carried out and finalized according to the set schedule.
- Results from research activities will be communicated effectively to relevant stakeholders.
- An electronic archive will be established to ensure the effective and systematic sharing of research conducted by the agency and theses prepared by professional staff during the qualification process.
- Collaborative projects with stakeholders will be developed to support the agency's core functions through their outcomes.

Target 3.4: Corporate culture and inclusion will be strengthened

Corporate culture is a key element of institutional capacity, shaping an organization's values, identity, beliefs, and behavior patterns while providing employees with shared goals and values. A strong and inclusive corporate culture enhances employees' commitment to the organization, increases job satisfaction and motivation, encourages open communication and collaboration, and thus has a direct positive impact on institutional performance. Moreover, a robust corporate culture strengthens the organization's reputation and image among stakeholders and contributes to attracting a qualified workforce.

Developing corporate culture requires clearly defining the mission and core values, establishing open and transparent communication channels, organizing training programs to develop employees' skills in line with these values, ensuring

that those in leadership positions exemplify the expected behaviors, and setting up feedback systems to take employees' suggestions for further cultural development into account.

In this context, during the Plan period, it is envisaged that a corporate culture aligned with the Agency's mission, vision and values will be fostered. Training programs will be organized to ensure the internalization of the Agency's values and mission; communication mechanisms will be established between experienced personnel and new recruits to support the effective transfer of professional experience and codes of conduct; social activities will be carried out to enhance staff motivation and promote institutional cohesion; feedback channels will be created for Agency personnel; and initiatives will be developed to strengthen their sense of belonging to the Agency.



Strategies

- A "Committee on Corporate Culture and Communication" will be established to identify the corporate culture and communication strategy and monitor relevant activities.
- Programs will be developed to foster communication among senior and junior staff, ensuring the continuity of institutional memory and the transfer of professional experience and codes of conduct.
- To boost communication and interaction among personnel, training activities will be diversified, and motivational social, cultural, and workshop activities will be carried out.
- The Agency's website will be reviewed and redesigned to better meet user needs and strengthen the agency's corporate image.
- Effective communication channels will be established for staff to share expectations, needs, and feedback, and periodic satisfaction surveys will be conducted.
- Initiatives fostering a sense of belonging within the agency will be developed.

MONITORING AND EVALUATION

In order to monitor the progress made toward the goals and targets set out in the Strategic Plan, quantitative and qualitative data will be collected and analyzed periodically and systematically from service units. The achievement of these goals and targets will be monitored over six-month periods and reported to senior management for evaluation purposes. Monitoring and evaluation activities will ensure that the Strategic Plan is implemented according to the established schedule, allow updates to be made in response to new conditions, and enable measures to be taken to address issues that arise during the process.

The Strategic Plan will be monitored and evaluated under the coordination of the Department of Strategy Development. The

achievements related to the goals and objectives set out in the Strategic Plan will be identified by the responsible units over six-month periods, and the results will be communicated to the Department of Strategy Development.

The Strategic Plan monitoring report will be prepared by the end of July for the first six months of each year and by the end of February of the following year for the second six-month period. At the end of the plan period, a "Strategic Plan Performance Report" will be prepared. The Strategic Plan performance reports will be taken into account in preparing the next period's Strategic Plan.



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