

3.5. Explanations on Operating Expenses

Table below shows the distribution of operating expenses incurred for the operational activities of the Bank in the last two years on the basis of the current expenditure items in real (2003) prices:

With 2003 prices, TL	2013 (TL)	2014 (TL)	% Change
I- Personnel Expenses	276.261.076	273.601.054	-1
II-Other Expenses	30.460.368	31.089.416	2
III-Banknote Printing Expenses	28.141.821	33.529.297	19
TOTAL	334.863.265	338.219.767	1

In 2014, there was a decrease in personnel expenses and an increase in other expenses and banknote printing expenses compared to 2013.

- **Personnel expenses:** These expenses cover salaries, fringe benefits, social security, health and education expenses and travel allowances.

The number of Bank personnel increased by 2 percent, from 4,676 in 2013 to 4,770 in 2014. Compared to 2013, there was a 1 percent decrease in personnel expenses. There was also a 2 percent decrease in salaries and fringe benefits, which constituted a significant portion of personnel expenses. In 2014, the amount of gross salaries paid to the senior management of the Bank, comprising the Board, the Executive Committee, the Monetary Policy and the Auditing Committee was TL 5,123,338. This amount accounts for 1 percent of total salaries and fringe benefits paid to the Bank personnel in 2014.

- **Other expenses:** There was a 2 percent increase in 2014 from the previous year. This resulted from the increase in expenses related to maintenance and repair, publication expenses and consultancy expenses compared to 2013.
- **Banknote printing expenses:** There was a 19 percent increase in 2014 compared to the previous year.

The Bank, in performing the main duties (such as issuing banknotes, determining the monetary policy, achieving price stability and managing foreign exchange reserves of the country) assigned to it by the Bank's Law, while keeping up with technological developments, prepares its budget adhering to the principle of frugality in both operating expenses and also investment expenditures.