

3.5. Explanations on Expenses

The 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:

Table 28. Distribution of Expenses (with 2003 prices)	2014 (TL)	2015 (TL)	% Change
I- Personnel Expenses	273,601,054	273,602,921	0
II-Other Expenses	31,089,416	32,578,295	5
III-Banknote Printing Expenses	33,529,297	35,490,595	6
TOTAL	338,219,767	341,671,811	1

In 2015, while personnel expenses remained unchanged, there was an increase in other expenses and banknote printing expenses compared to 2014.

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

The number of Bank personnel decreased by 0.2 percent from 4,770 in 2014 to 4,762 in 2015. Compared to 2014, real personnel expenses remained unchanged. In 2015, 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 5,401,550. This amount accounts for 1 percent of total salaries and fringe benefits paid to the Bank personnel in 2015.

- **Other expenses:** There was a 5 percent increase in 2015 compared to 2014. This resulted from the increase in maintenance and repair expenses, rents, communication expenses and social expenses.

- **Banknote printing expenses:** There was a 6 percent increase in 2015 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.