

## **BRSA Organization**

### **MISSION OF THE ORGANIZATION**

To safeguard the rights and benefits of depositors and to create the proper environment, in which, banks and financial institutions can operate with market discipline, in a healthy, efficient and globally competitive manner, thus, contributing to the achievement of long-run economic growth and stability of the country.

### **MAIN GOALS OF THE ORGANIZATION**

*To enhance banking sector efficiency and competitiveness-* elimination of distortions created by the state banks; strengthening of the banks' capital base; reduction of the banks' intermediation costs; minimization of group banking and non-financial activities.

*To maintain confidence in the banking sector* - in accordance with market discipline and "self responsibility" principle, to design the proper regulation for public awareness; making adequate, understandable and accurate information accessible to the markets in a timely manner; promoting international best standards in accounting and reporting systems; providing a transparent environment in which information on risks is clear and accessible for all parties.

*To minimize the potential risks to the economy from the banking sector* - prevention of all kinds of transactions and practices that can jeopardize the smooth and safe operation of the banks; developing early warning and prompt correction systems to prevent individual problems from causing systemic risk.

*To enhance the soundness of the banking sector* - enhancing the flexibility of the sector against risks; giving importance to the improvement of corporate governance; developing internal control and risk management systems; taking market risk into account in calculation of capital adequacy; improving the BRSA's capacity for risk-focused and consolidated supervision and control.

*To protect the rights of the depositors* - establishing a balance between the adverse effects of deposit insurance, such as erosion in market discipline and increase in moral hazard, and the need to protect the rights of depositors.