



BANKING  
REGULATION AND SUPERVISION  
AGENCY

December 21, 2006

## PRESS RELEASE

The third issue of “Financial Markets Report” prescribed to be published pursuant to Article 97 of the Banking Law Nr. 5411, relating to significant developments experienced in financial sector, performances of banks and financial holding company as well as leasing, factoring and financing companies will be published on our official web site [www.bddk.org.tr](http://www.bddk.org.tr) in “Publications–Reports/Financial Markets Report” section on Friday, December 22, 2006.

The Report consists of four sections; (1) Economic Developments, (2) Financial Sector Assessment, (3) Banking Sector Risk Evaluation, (4) Developments Concerning Strategy and Policy Subjects.

In the first section, mainly the national and international developments and their effects on Turkish financial sector leading the banking sector were discussed. Within this scope, while global growth and liquidity conditions were argued in the international scale, national income developments and subjects on balance of payments and financing were discussed in the national scale. In this section, it is also given place to the recent developments related to the household and firms which are the sectors that demanded fund from the financial sector.

In the second section of the Report, entitled the “Financial Sector Evaluation”, first a general view of the Turkish financial sector is given and then, the banking sector, and non-bank financial institutions such as leasing, factoring and consumer financing institutions are focused on, and accordingly, subjects such as the structural view, the performance indicators, balance sheet income- expenses analysis are given.

The third section of the Report includes a comprehensive risk assessment on banking sector and main risk areas handled are comprised of market risk, structural interest rate risk and liquidity risk. The possible impacts of market risk and loan risk on capital adequacy is also analyzed in this section.

The forth and the last section of the report includes the developments on strategy and policy. Within this scope, the regulations on establishment and operations of banks, regulations on corporate governance, regulations on protective provisions, regulations on financial statements and reporting, regulations on non-bank financial institutions, regulations relating to deposit and regulations relevant to other issues and administrative regulations prepared by our Agency and entered into force recently are summarized.

It is expected that the Report, which aims to present extensive and global assessment and perspective relevant to Turkish financial sector, shall contribute to the transparency for both our Agency and the financial sector.