



**THE FINANCIAL SECTOR DEVELOPMENTS
IN TURKEY
Past-Present-Future**

PAST

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MACROECONOMIC ENVIRONMENT

MAIN ACHIEVEMENTS AS OF THE BEGINNING OF 2000's

- Increase in export orientation of the economy
- Rise in the role of private sector
- Improvement in the allocation of resources

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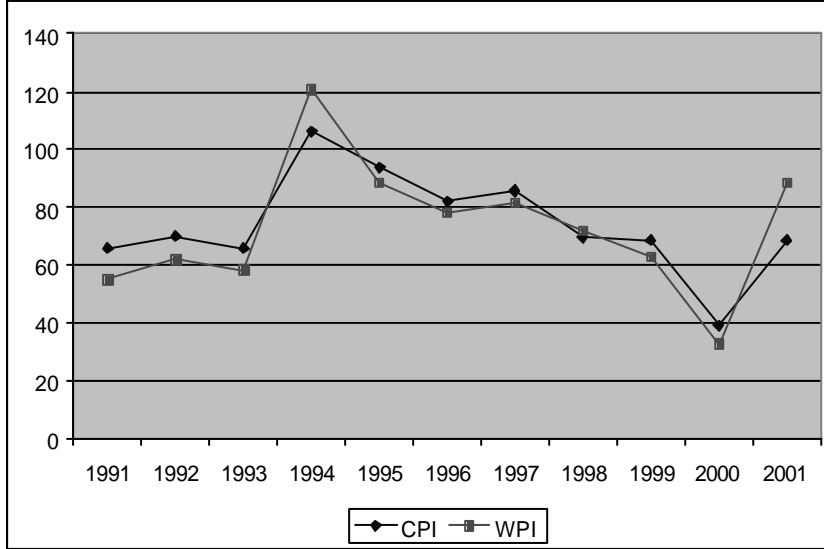
MACROECONOMIC ENVIRONMENT

MAIN WEAKNESSES AS OF THE BEGINNING OF 2000's

- A volatile growth pattern
- Chronic inflation
- Continuing public deficits and high real interest rates

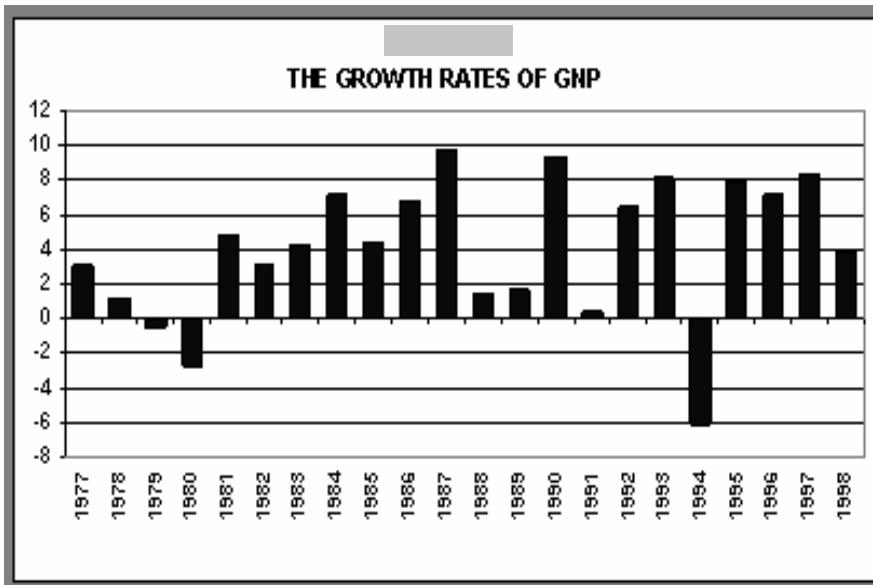
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High Inflation



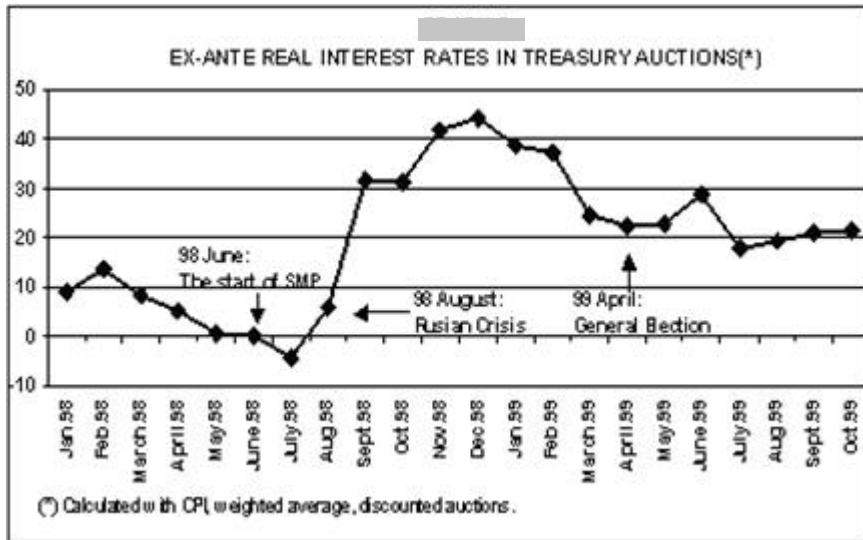
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Unstable Growth



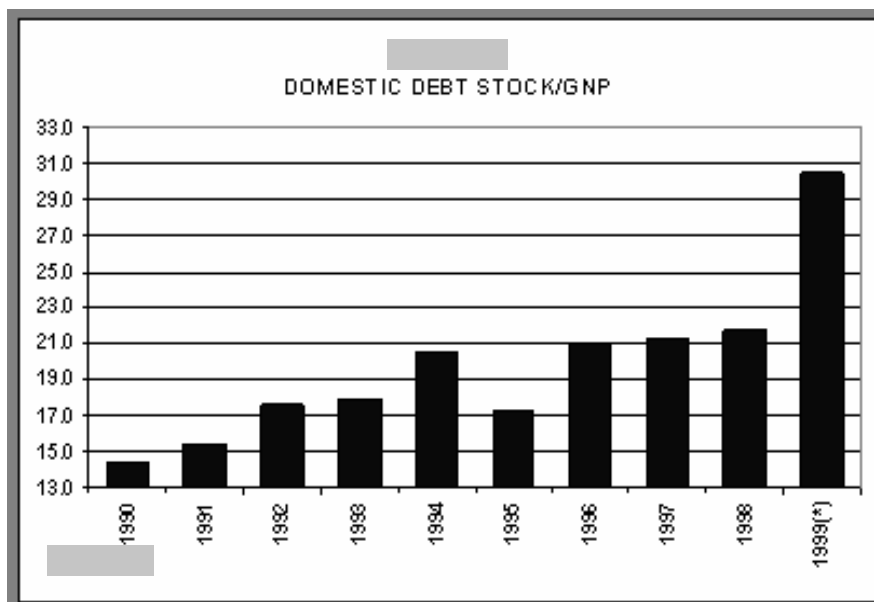
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Instable Real Interest Rates



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Debt Stock



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MAIN DEVELOPMENTS IN THE BANKING SECTOR AS OF THE BEGINNING OF 2000's

- Liberalization of financial services and an increase in competition,
- Increase in the number of banks and in the size of the sector,
- Diversification of financial services and improvement in technological infrastructure,
- Integration to the world financial markets.

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MAIN WEAKNESSES OF THE BANKING SECTOR AS OF THE BEGINNING OF 2000's -I

Sectoral structural issues:

- Weak capital structure which is also related to macroeconomic instability,
- Full deposit guarantee system introduced in 1994 crisis,
- High share of state banks in the sector,
- Strong interlinked ownership structure between real and financial sectors,
- Weak and fragmented supervision and surveillance framework,
- Inadequate internal control and risk management systems,
- High intermediation cost due to public liabilities,
- Undiversified and small-sized financial sector.

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MAIN WEAKNESSES OF THE BANKING SECTOR AS OF THE BEGINNING OF 2000's -II

Due to macroeconomic instability:

- Foreign exchange risk due to high FX open position and excessive use of syndicated loans from abroad,
- Liquidity and interest rate risk due to short term funding structure,
- Low quality of asset structure,

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Crises

- End of 2000**
- Beginning of 2001**

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STEPS TAKEN TOWARDS ACHIEVING A SUSTAINABLE ECONOMIC GROWTH

- The macroeconomic adjustment program adopted in December 1999 aimed at securing macroeconomic stability.

- After interruption of the program in 2001, a new program was adopted, so called “Transition to a Strong Economy” in May 2001 to overcome structural weaknesses in overall economy and in the financial sector.

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MAIN ACHIEVEMENTS OF THE PROGRAM

- With the successful implementation of the economic program, important progress has been achieved in:
 - Restoring stability and ensuring market confidence,
 - Reforming the public sector and improving public finance,
 - Restructuring of the financial sector,

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independent organization
–BRSA–
September 2000

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BANKING REGULATION AND SUPERVISION AGENCY

- Banking Regulation and Supervision Agency started its operations as of August 31, 2000
- A public legal entity having financial and administrative autonomy
- Established to:
 - Safeguard the rights of depositors
 - Ensure banks to operate in a healthy and efficient manner
 - Ensure efficient functioning of the credit system
- Has a seven-member Board (Banking Regulation and Supervision Board) as its decision-making body
- The Chairman of the BRSA is also the Chairman of the Board.

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BANKING SECTOR RESTRUCTURING PROGRAM-I

- ❑ After the 2000 and 2001 crises, “Banking Sector Restructuring Program” was put into effect in May 2001.
 1. Restructuring of the state banks:
 - Duty losses have been eliminated.
 - Deposit interest rates have been brought in line with market rates
 - Emlak Bank was transferred to Ziraat Bank.
 - Number of branches and personnel has been reduced
 2. Resolution of the SDIF banks:
 - 20 banks have been resolved through merger, sale or direct liquidation.

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BANKING SECTOR RESTRUCTURING PROGRAM-II

3. Strengthening of the private banks:
 - A three stage audit process was implemented to examine financial soundness of banks,
 - Banks realized a significant capital increase during 2001-September 2003 (a total of USD 2,7 billion).
 - “Istanbul Approach” (voluntary debt restructuring) was introduced. A total of 5,7 billion USD debts belonging to 326 real sector firms has been restructured as of July 2004.

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BANKING SECTOR RESTRUCTURING PROGRAM-III

4. Strengthening of regulatory and supervisory framework: A number of regulations have been issued on:

- Capital adequacy,
- Internal control and risk management,
- Lending and subsidiary limits and loan loss provisioning,
- Accounting standards, independent auditing and mergers and acquisitions.

COST

Transfer Losses and Fund Cost Table on Bank Basis (USD Million)

Banks	Transfer Losses	Collections Realized		Collections Pending		Net Fund Cost	
		Date	With Int.	Current Value	Current Value	Date	With Int.
T.TICARET	778	8	9	11	11	737	1518
BANK EKSPRES	435	23	27	11	11	227	456
INTERBANK	1.269	12	14	224	224	2.624	4.417
EGEBANK	1.220	68	78	50	50	615	1.163
YURT BANK	656	21	23	23	23	263	517
YASARBANK	1.149	101	115	146	146	610	1.275
ESBANK	1.113	30	34	92	92	1.628	2.982
SÜMERBANK	470	91	155	233	233	2.339	4.429
BANK KAPITAL	393	91	103	188	188	-219	-142
ETIBANK	698	176	240	603	603	792	2.118
DEMIRBANK	648	174	211	125	125	1.614	3.779
ULUSAL BANK	524	0	0	0	0	481	930
IKTISAT BANKASI	1.954	122	140	254	254	1.616	3.238
KENTBANK	681	99	131	134	134	893	1.687
EGSBANK	545	22	27	55	55	258	581
SİTEBANK	53	4	5	7	7	20	61
TARISBANK	74	6	7	19	19	40	115
BA YINDIRBANK	116	23	26	117	117	625	1.141
TOPRAKBANK	880	56	64	227	227	215	499
PAMUKBANK	3.706	413	414	2.082	2.082	319	2.616
IMAR BANKASI	5.933	0	0	1.648	1.648	4.285	4.185
TOTAL	23.295	1.540	1.823	6.280	6.280	19.981	37.564

PAST Turkey is not the first, neither the last country to experience banking crises...

Country	Crisis Period	Total Cost /GDP (%)
Spain	1977-1985	16,8
Japan	1990-	20,0
Indonesia	1997-	50,0
Malaysia	1997-	20,5
South Korea	1997-	26,5
Mexico	1995	20,0
Argentina	1980-82	55,3
Brazil	1994-96	15,0-20,0
Czech Republic	1994-95	12,0

PAST The cost of the crises were also high in our country

	Ratio to GDP (%)
Public Banks Operational Cost	12,8
Capital Support to Public Banks	2,0
Resolution of SDIF Banks	14,9
-Public Resources	11,7
-Private Sector Resources	3,2

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BANKING SECTOR RESTRUCTURING PROGRAM: RESULTS

- Consolidation in the banking sector (number of banks decreased to 49 as of August 2004 from 81 in 1999)
- Decrease in the share of the State and the SDIF banks
- Reduction of financial risks to manageable levels
- Improved transparency
- True classification of NPLs and realistic assessments of collaterals
- Improved profitability
- Strengthened capital structure
- Increased credit extension

PRESENT

PRESENT MAIN FIGURES-I						
	2000	2001	2002	2003	2004	Month
Number of Banks	79	61	54	50	49	Sept. 09, 2004
- Commercial Banks	61	46	40	36	35	Sept. 09, 2004
- Development and Investment Banks.	18	15	14	14	14	Sept. 09, 2004
Consolidated Number of Branches	7.830	6.885	6.216	6.076	6.213	June
Consolidated Number of Personnel	178.758	138.962	124.009	124.030	128.816	June
Total Assets (\$ Million)	155.237*	117.742*	130.120*	178.880*	185.689	June
Total Assets/GNP	76,9	96,0	77,8	70		
Total Loans(\$ Million)	50.931	26.578	33.947	47.442	62.320	August 27 - BRSA Weekly Bulletin
Loans/Deposits (%)	54,1	34,4	35,5	42,6	52,60	August 27 - BRSA Weekly Bulletin
Securities / Total Assets	17,73	34,6	40,5	42,8	41,5	June
Public Share in the Banking Sector (%)	30,76	31,2	31,9	33,3	32,8	June
Sectoral Share of Top 5 Banks (%)	47,8	54,42	58,4	60,3	60,0	June
Sectoral Share of Top 10 Banks (%)	69,1	79,45	80,8	82,3	81,8	June
Loans Extended/ Total Assets (%)	32,80	19,86	23,0	26,5	31,8	June
Liquid Assets/ Total Assets (%)	3,89	7,72	13,5	11,6	10,2	June
Subsidiaries, Affiliates, Fixed Assets/ Total Assets (%)	6,41	7,23	7,7	7,0	6,95	June
Number of Loan Consumers	9.308.354	8.977.516	15.793.431	18.706.862	21.002.108	June
Total Consumer Loans (TL Trillion)	4.632	2.375	3.074	9.023	13.448	August 27 - BRSA Weekly Bulletin
Credit Cards (TL Trillion)	2.170	2.584	4.335	7.028	10.174	August 27 - BRSA Weekly Bulletin

PRESENT MAIN FIGURES-II						
	2000	2001	2002	2003	2004	Month
Deposits/ Total Liabilities (%)	56,7	63,7	64,9	62,2	62,2	June
Own Funds/ Total Liabilities (%)	6,9	10,5	12,1	14,2	12,95	June
TL Deposits/ Total Deposits (%)	51,9	40,7	42,7	51,4	54,8	August 27 - BRSA Weekly Bulletin
FX Deposits/Total Deposits (%)	47,5	59,3	57,3	48,6	45,2	August 27 - BRSA Weekly Bulletin
Distribution of Deposits on Maturity Basis (%) TL						June
Up to 1 month	48,4	42,4	61,0	46,4	44,9	June
Up to 3 months	40,8	50,1	28,3	40,9	40,9	June
3 to 6 months	9,6	5,0	6,7	10,4	5,9	June
Distribution of Deposits on Maturity Basis (%) FX						June
Up to 1 month	45,1	57,09	54,34	51,53	66,8	June
Up to 3 months	34,7	27,47	29,11	30,28	22,8	June
3 to 6 months	8,07	6,26	7,91	8,89	6,5	June
Capital Adequacy Ratio	9,3*	21,4*	30,2*	31,2*	25,2	June
Conversion Ratio (%)	11,0*	25,1*	14,5*	10,2*	6,03	August 27 - BRSA Weekly Bulletin
Free Capital/Own Funds (%)	7,3	13,2	36,3	51,0	46,4	June
Profitability (\$ Million)	-4.239	-8.241	1.764	4.018	2.395	June

PRESENT**MAIN FIGURES-III**

Number of banks (As of August 2004)

Private Banks	18
Development and Investment Banks	14
Foreign Banks	12
State Banks	3
SDIF Banks	2
Total	49

- Market shares in term of total assets:
- The four largest domestic private banks: 41%
 - State banks 33%
 - Foreign banks 3%

PRESENT**MAIN FIGURES-IV**

USD Billion

Changes in Percentage	2001 to 2002	2002 to 2003	2003 to 2004
Total assets	10,54	37,51	9,11
Loans	28,21	58,00	15,19
Deposits	10,18	31,87	8,81

PRESENT

MAIN FIGURES-V

USD Billion

Performance	2001	2002	2003	May 2004
Net Profit for the Period	-8,2	1,8	4,0	0,7
Return on Assets %	-7,0	1,4	2,2	0,4
Loans/ Deposits %	30,5	35,5	42,6	45,1

PRESENT

SWOT

PRESENT

1- The financial depth of Turkish banking system is low

USD Billion	Country	Period	Total Asset Size
Citigroup	USA	Dec. 2002	1.097,2
Mizuho Holdings	Japan	Mar. 2003	1.029,7
UBS	Switzerland	Mar. 2003	851,6
Sumitomo Mitsui Banking Corp.	Japan	Mar. 2003	826,6
Deutsche Bank	Germany	Mar. 2003	795,7
Mitsubishi Tokyo Financial Group	Japan	Mar. 2003	784,5
JP Morgan Chase	USA	Dec. 2002	758,8
ING Group	Nederlands	Dec. 2002	751,8
HSBC Holdings	England	Dec. 2002	748,9
BNP Paribas	France	Dec. 2002	745,4
Türkiye (Total)		Dec. 2003	178,9

PRESENT

-Balance sheet expansion problem

-Growth rate is approximately same as inflation rate

PRESENT

2- The growth potential of Turkish banking sector is high

PRESENT

3- The Turkish banking sector has profitability problems

PRESENT

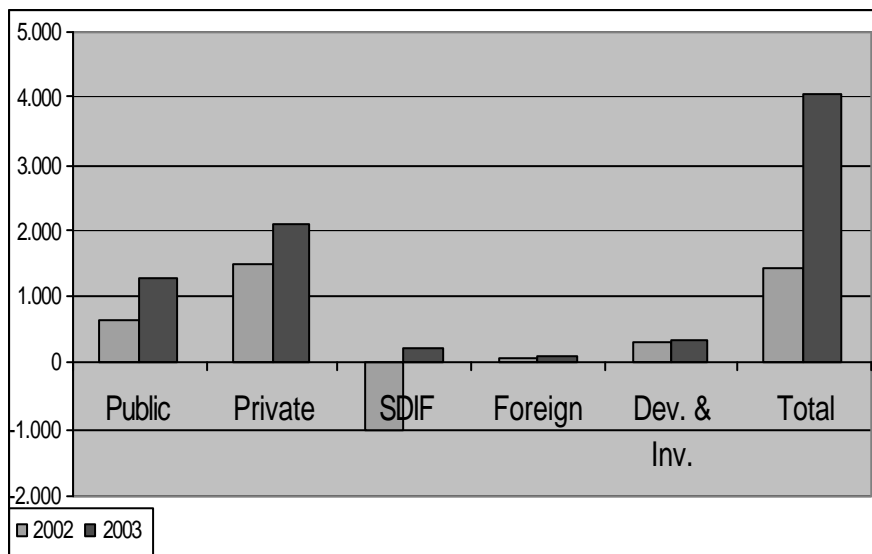
Profitability

A strong capital structure can only be sustained through profitability.

USD Million	2000	2001	2002	2003
Public Banks	-276	-1.111	646	1.283
Private Banks	553	-5.128	1.487	2.090
SDIF Banks	-4.927	-1.873	-1.026	195
Foreign Banks	91	20	54	133
Development-Inv. Banks	320	149	284	367
TOTAL	-4.239	-8.241	1.443	4.067
TOTAL (excluding SDIF Banks)	688	-6.368	2.468	3.863

PRESENT

A clear improvement is observed in the profitability of the sector



PRESENT

HOWEVER

-the decrease in inflation rates reduced profitability but costs can not be reduced at the same speed

-profit means capital markets transactions (purchase and sale of treasury bills)

-incidental income– permanent income

PRESENT

4- Consolidation

PRESENT

Number of Banks

	1990	1995	2000	2001	2002	2003	March 2004
Commercial Banks	54	55	61	46	40	36	36
Public	7	5	4	3	3	3	3
Private	25	32	28	22	20	18	18
Foreign	22	18	18	15	15	13	13
SDIF	-	-	11	6	2	2	2
Dev. & Inv. Banks	10	13	18	15	14	14	14
Public	3	3	3	3	3	3	3
Private	4	7	12	9	8	8	8
Foreign	3	3	3	3	3	3	3
TOTAL	64	68	79	61	54	50	50

PRESENT

5- Public share decreases ?

PRESENT

DEVELOPMENTS IN GROUP SHARES (%)

	1990	1995	'000	'001	'002	'003
Public Banks	44,6					
Private Banks						
Foreign Banks	3,5		6,5			
Dev. & Finance		7,4				
Total	100,0	'00,0	'00,0	'00,0	'00,0	'00,0

PRESENT

Data on Public Banks

Dec. 31, 2002 Dec. 31, 2003

Total Balance Sheets /Sector Total	% 32	% 33
Total Securities /Sector Total	% 46	% 45
Total Loans /Sector Total	% 16	% 18
Total Deposits /Sector Total	% 35	% 39

PRESENT

Exclude - T-bills ?

PRESENT

6- Oligopolistical structure

PRESENT

Concentration Rates (%) (*)

	1990	1995	2000	2001	2002	2003
Share of top 5 banks	50,9	47,8	47,7	55,8	58,5	60,3
Share of top 10 banks	71,5	71,1	69,2	79,5	80,8	82,4

(*) Based on their asset size

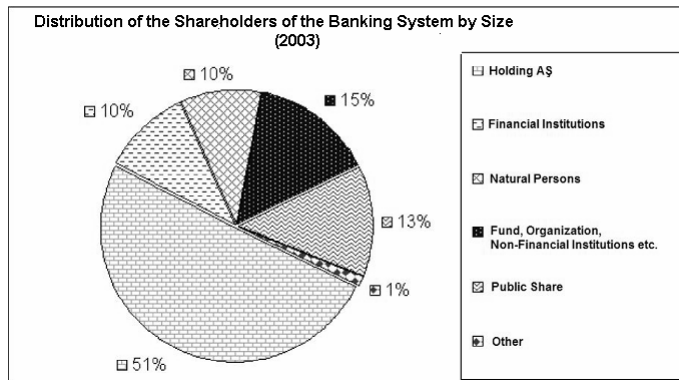
PRESENT

7- Holding banking dominates the sector

PRESENT

Current Status

Ownership Structure in Turkish Banking Sector (17 banks, 2003 data)



PRESENT

8- The share of loans is not at the levels expected

PRESENT

Developments in the Banking System's Financial Data (USD Million)

	1980	1990	1994	1999	2000	2001	2002	2003
Total Assets	20.785	58.171	52.552	133.533	155.237	117.742	130.120	178.880
Total Assets/GNP	28,6	38,2	40,3	71,7	76,9	96,0	77,8	70,0
Total Loans	11.168	27.342	20.559	40.206	50.931	23.395	29.967	47.442
Securities Portfolio *	1.339	5.997	5.955	22.955	17.848	11.693	23.554	43.438
Deposits (including interbank deposits)	10.188	32.564	33.191	89.361	101.884	76.619	84.413	111.268

Trading Securities + Ready to Sale Securities for 2002 and 2003

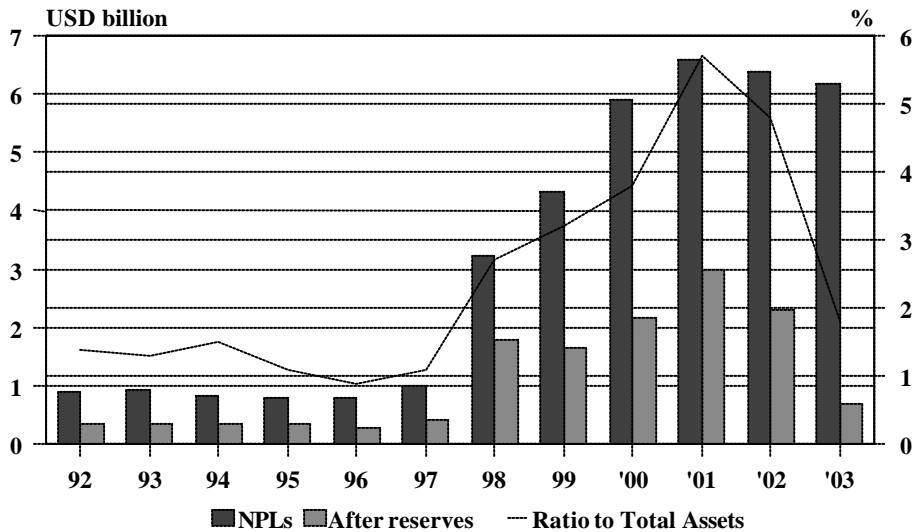
Loans / deposits %110 %83 %61 %44 %50 %30 %35 %43

PRESENT

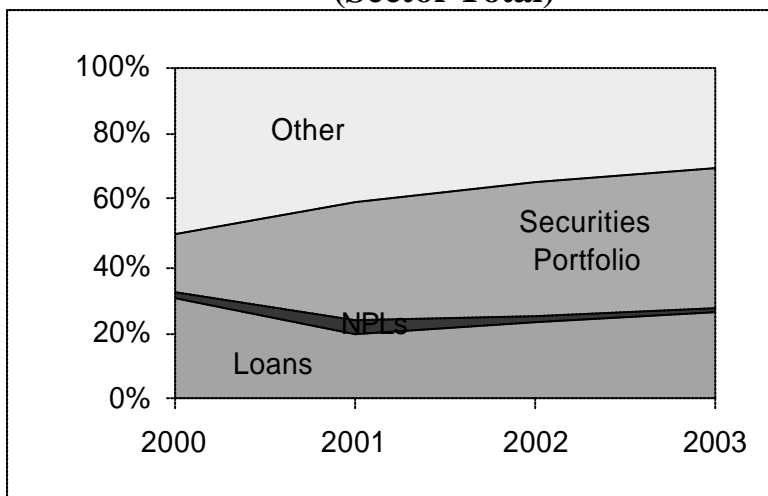
9- NPLs are decreasing

PRESENT

NPLs



DEVELOPMENTS IN ASSET STRUCTURE (Sector Total)



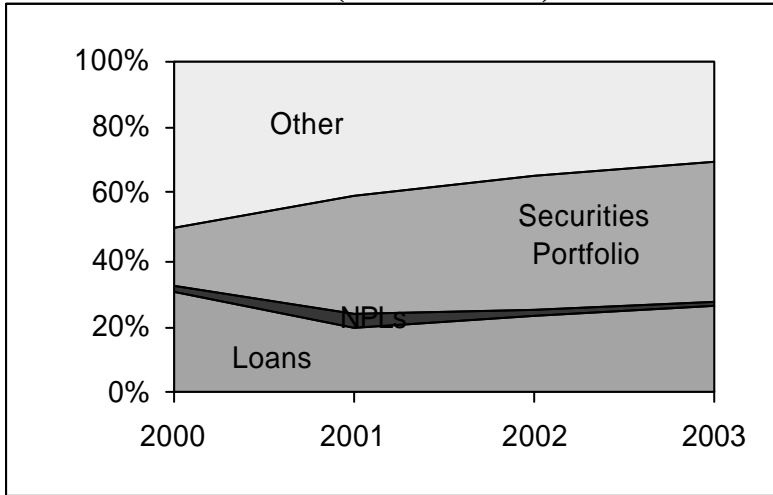
PRESENT

The share of the Istanbul approach?

PRESENT

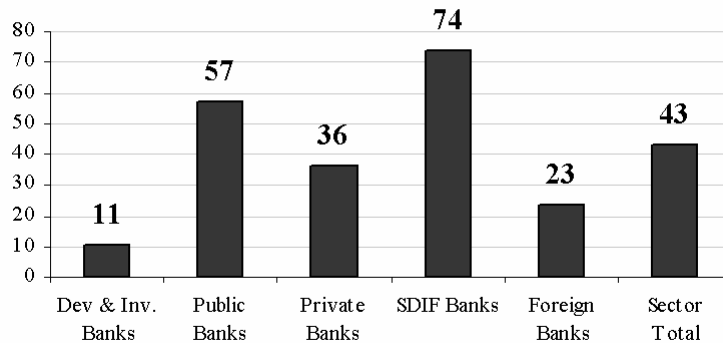
10- Securities portfolio remains important

DEVELOPMENTS IN ASSET STRUCTURE (Sector Total)



PRESENT

Distribution of Securities in Total Assets (%)



PRESENT

Turkish banking sector has difficulties
in generating fee and commission
income

non-interest income-expense balance

PRESENT

**11- Maturity structure of the liabilities (deposits) is very
short**

PRESENT

Maturity Structure of Total Deposits (%)

	1999	2000	2001	2002	2003
Total	100	100	100	100	100
Call Deposits	18	19	17	19	20
1 month	18	29	34	30	26
3 months	35	38	38	38	38
6 months	19	9	6	8	10
12 months+	10	6	6	6	6
Ave. Mat. (months)	3,8	2,4	2,6	2,7	3,0

PRESENT

12- Intermediary costs are still high

PRESENT

13- The capital adequacy ratios of banks are high

HOWEVER?

PRESENT

Capital Adequacy Ratio	2000	2001	2002	2003
Public Banks	7,7	56,6	50,2	56,3
Private Banks	15,3	14,9	19,6	23,5
SDIF Banks	-62,3	-10,7	-7,5	-21,4
Foreign Banks	21,9	44,0	32,8	36,2
Dev. & Inv. Banks	32,5	41,6	58,4	78,4
TOTAL	9,3	21,4	25,3	30,9
TOTAL (excluding SDIF banks)	15,2	22,6	27,3	32,4

PRESENT

**14- Limited deposit insurance
– 5.7.2004-**

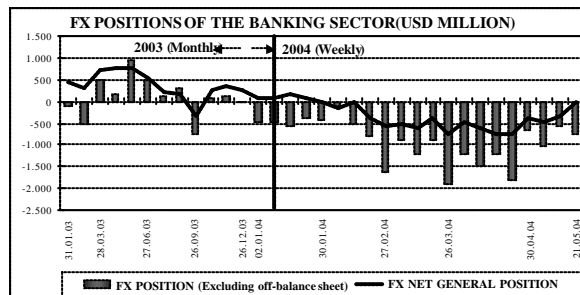
PRESENT

15- Open Position

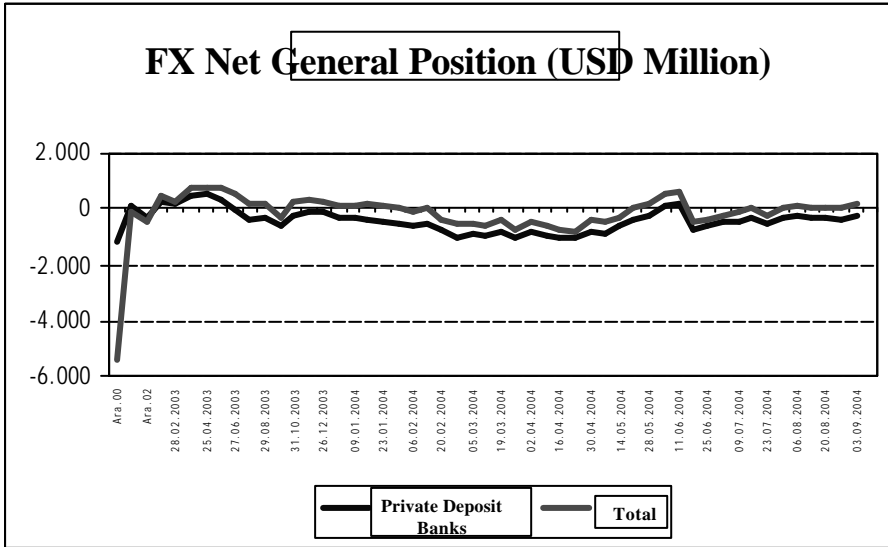
PRESENT

	USD Million			
	2001	2002	2003	August 2004
FX Position (On Balance Sheet)	-1,588	-551	-20	-394
Net FX Position	-129	-449	269	48

PRESENT



PRESENT



PRESENT

16- Consumer Credits

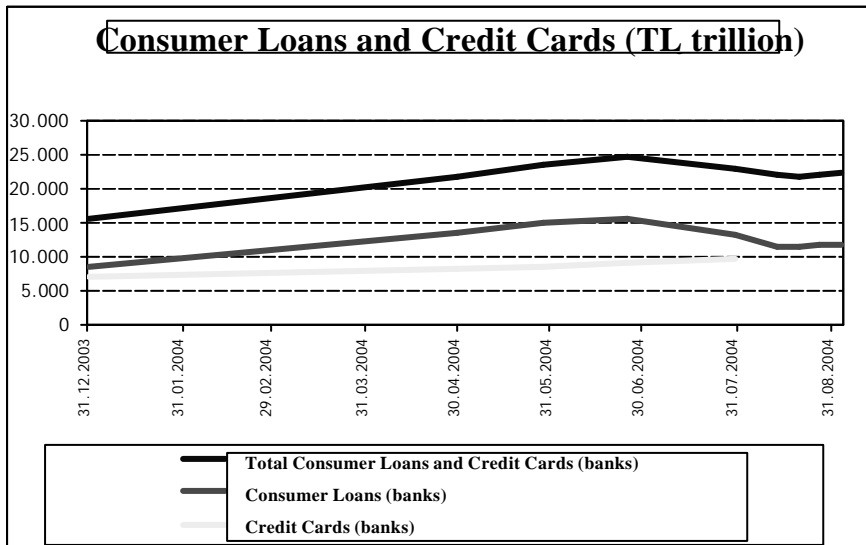
PRESENT**CONSUMER CREDITS**

	USD billion	
	2003	August 20, 2004
Total Consumer Loans and Credit Cards (Total CLCC)	11,2	15,6
Past-due Consumer Loans and Credit Cards Receivables (Past-due CLCC)	0,245	0,419
Past-due CLCC/ Total CLCC (%)	-	2,68
Total CLCC/ Total Loans (%)	-	25,7
Total CLCC/ GNP (%)	-	6,3

PRESENT**CHANGES IN CONSUMER CREDITS**

	% change (in six months) January-July 2004	% change (monthly) June-July 2004
Consumer credits	48,1	-14,2
<i>-Housing</i>	161,8	6,4
<i>-Automobile</i>	41,8	-18,5
<i>-Other</i>	29,2	-20,5
<i>-Loans indexed to foreign exchange</i>	22,0	-14,4
Credit cards	42,4	10,3
Total	45,6	-5,2

PRESENT



PRESENT

Problem?

PRESENT

17- YKB

PRESENT

CURRENT ISSUES

- Maturity mismatch,
- Government Bonds has a high share in the balance sheets,
- Low level of free capital,
- Insufficient role of non-bank financial institutions in the financial sector,
- Diversification of financial services,
- Rationalization of intermediation costs,
- Implementation of Basel II,
- Improvement of regulatory and supervisory framework.
- Adaptation of banks to the new economic environment

PRESENT

Lessons Learned

- License
- On-site audit-financial inspection
- IT audit
- Coordination with other public authorities

PRESENT

Number of Banks

	80	90	99	'00	'01	'02	'03	April '04
Commercial banks	40	56	62	61	46	40	39	35
Public	12	8	4	4	3	3	3	3
Private	24	25	31	28	22	20	18	18
Foreign	4	23	19	18	15	15	13	12
Fund			8	11	6	2	2	2
Dev. & Inv. banks.	3	10	19	18	15	14	14	14
Sector	43	66	81	79	61	54	50	49

PRESENT

Title	Date	Prime Minister-Minister
Westdeutsche Landesbank A.G. (branch)	20/07/1990 BK90/698	Yıldırım AKBULUT – Güneş TANER
Bank of Boston	13/03/1990 BK90/256	Yıldırım AKBULUT – Güneş TANER
Manufacturers Hannover Bank	22/10/1990 BK90/1067	Yıldırım AKBULUT – Güneş TANER
Midlandbank	27/06/1990 BK90/644	Yıldırım AKBULUT – Güneş TANER
Türkish Bank	14/09/1991 BK91/2256	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Toprakbank	22/09/1991 BK91/2316	Mesut YILMAZ – Ekrem PAKDEMİRLİ
T. Konut End. Ve Tic. Bank (Kentbank)	22/09/1991 BK91/2316	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Alternatifbank	22/09/1991 BK91/2316	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Bank Ekspres	22/09/1991 BK91/2316	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Park Yatırım Bankası	22/09/1991 BK91/2316	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Tat Yatırım Bankası	07/08/1991 BK91/2066	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Banque Indosuez (Bank Kapital since 1995)	15/08/1991 BK91/2148	Mesut YILMAZ – Ekrem PAKDEMİRLİ
Bank of Bahrain and Kuwait Bank	09/08/1991 BK91/2190	Mesut YILMAZ – Ekrem PAKDEMİRLİ
EuroCredit Türk-Fransız Bankası	24/08/1992 BK92/3475	Süleyman DEMİREL – Tansu ÇİLLER
IMKB Takas ve Saklama Bankası	26/01/1995 BK95/6551	Tansu ÇİLLER – Aykon DOĞAN
Ege Giyim Sanayiciler Yatırım Bankası	05/01/1995 BK95/6437	Tansu ÇİLLER – Aykon DOĞAN
ING Bank (branch)	28/03/1996 BK96/7931	Mesut YILMAZ – Ufuk SÖYLEMEZ
Anadolubank	18/09/1996 BK96/8532	Necmettin ERBAKAN – Ufuk SÖYLEMEZ
Denizbank	18/09/1996 BK96/8532	Necmettin ERBAKAN – Ufuk SÖYLEMEZ
Rabobank (branch)	28/10/1997 BK97/10192	Mesut YILMAZ – Güneş TANER
Okan Yatırım Bankası	19/02/1998 BK98/10715	Mesut YILMAZ – Güneş TANER
Credit Suisse First Boston (branch)	16/03/1998 BK98/10835	Mesut YILMAZ – Güneş TANER
GSD Yatırım Bankası	20/04/1998 BK98/10962	Mesut YILMAZ – Güneş TANER
Nurol Yatırım Bankası	06/08/1998 BK98/11565	Mesut YILMAZ – Güneş TANER
Diler Yatırım Bankası	28/06/1998 BK98/11464	Mesut YILMAZ – Güneş TANER
Süzer Yatırım Bankası	27/05/1998 BK98/11455	Mesut YILMAZ – Güneş TANER
Morgan Guaranty Trust Co.NY (branch)	30/07/1998 BK98/11458	Mesut YILMAZ – Güneş TANER
Toprak Yatırım Bankası	06/08/1998 BK98/11564	Mesut YILMAZ – Güneş TANER
Çalık Yatırım Bankası	22/09/1998 BK98/11819	Mesut YILMAZ – Güneş TANER

PRESENT

**THE EASIEST WAY TO ROB A BANK
IS TO OWN IT**

FUTURE

Future

Ultimate Goal: A Sound and Competitive Turkish Banking Sector

Banking Sector in 2000

- Financing public sector deficits
- Systemic distortions created by state banks
- Group financing without sufficient capital provision
- Inadequate capital base
- Inadequate internal control, risk management and governance
- Lack of Transparency



Banking Sector in the Medium Term

- Financial intermediation
- Level playing field among banks
- Market discipline and transparency
- Strong corporate governance culture and adequate risk management
- Improved global competitiveness
- Efficient supervision

FUTURE

- ✓ organizational change
- ✓ risk oriented auditing,
- ✓ Basel II
- ✓ early warning systems

FUTURE

MAIN RECENT REGULATORY DEVELOPMENTS-I

- ❑ A draft Act on Bank Cards and Credit Cards is being prepared.
- ❑ A new Draft Act on Credit Institutions was prepared in compliance with the Basle Core Principles, EU banking law requirements and international best practices. This act aims at:
 - ❑ Transition to risk-based supervision,
 - ❑ Improvement of consolidated supervision by requiring establishment of “financial holding companies”,
 - ❑ Improvement of corporate governance practices both at banks and regulatory institutions.

FUTURE

MAIN RECENT REGULATORY DEVELOPMENTS-II

- ❑ The SDIF was separated from the BRSA as of December 26, 2003 by act No:5020 which enables specialization of both institutions in their respective fields.
- ❑ The supervision authority of the non-banking financial institutions (leasing, factoring and consumer finance companies) will be transferred to the BRSA by the enactment of new Act.