



# **CENTRAL BANK OF THE REPUBLIC OF TURKEY**

**Durmuş Yılmaz**  
**Governor**

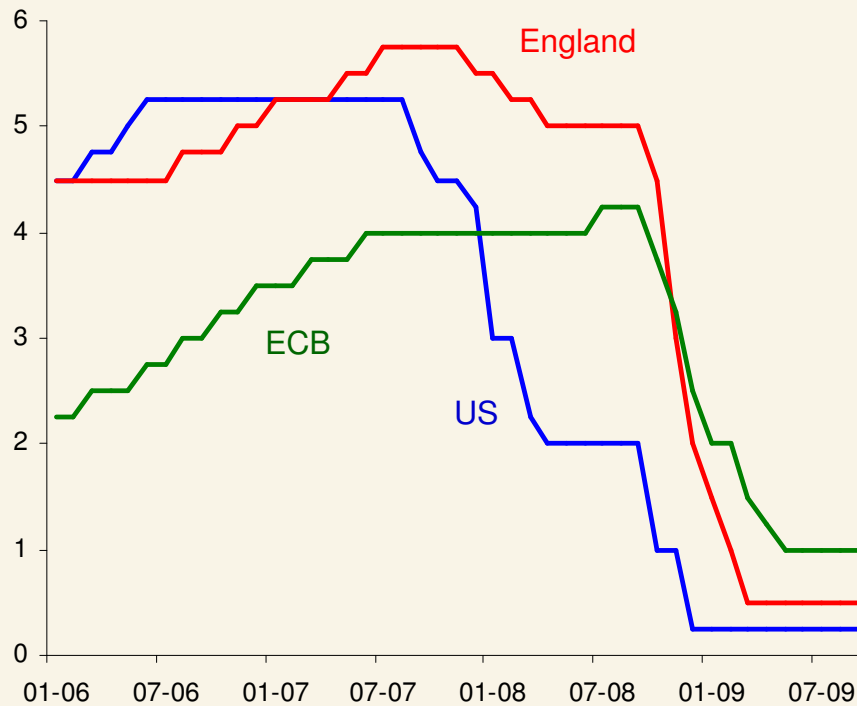
**October 2009**  
**Athens**



# Global Financial Environment

## Policy Rates

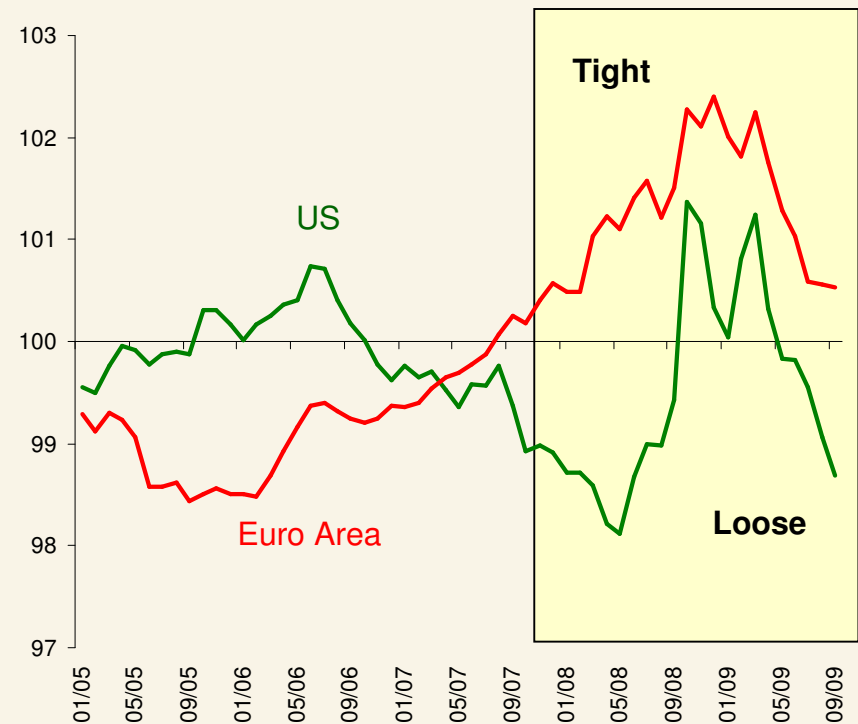
(Jan 2006 – Sep 2009, simple, percent)



Source: Central Banks, CBT

## Financial Conditions Index

(Jan 2005 – Sep 2009)



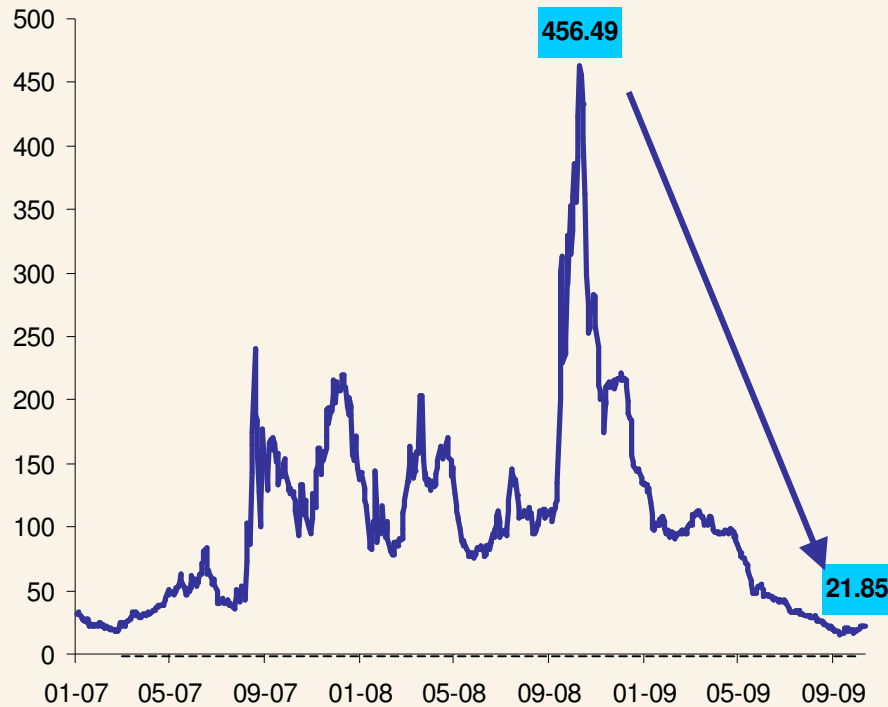
Source: Goldman Sachs



# Financial Market Indicators

## ***TED Spread***

*(Jan 2007 – Oct 2009, basis points)*



Source: Bloomberg, CBT

## ***VIX Index***

*(Aug 2008 – Oct 2009)*

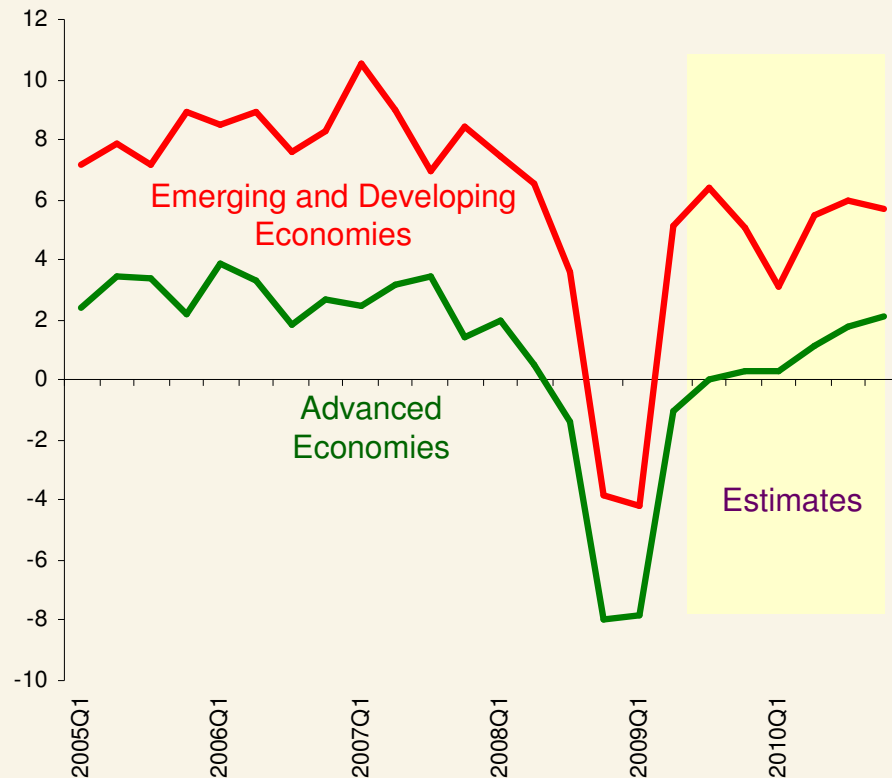


Source: Bloomberg, CBT



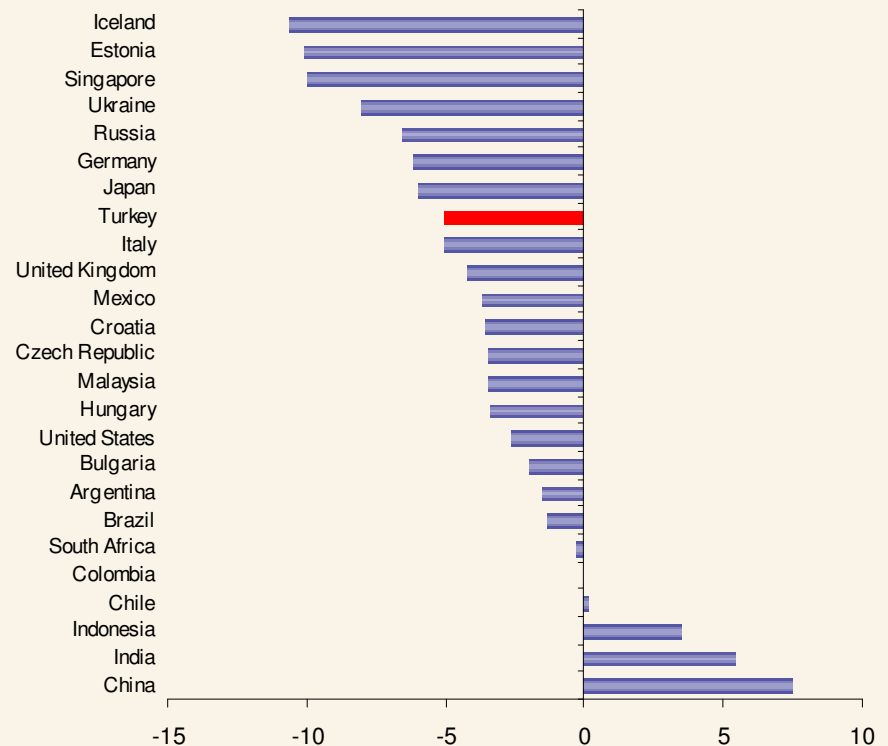
# Global Financial Crisis

**Global GDP Growth**  
(2005 Q1 – 2010 Q4, qoq, percent)



Source: IMF

**2009 Growth Projections for Selected Countries**  
(percent)

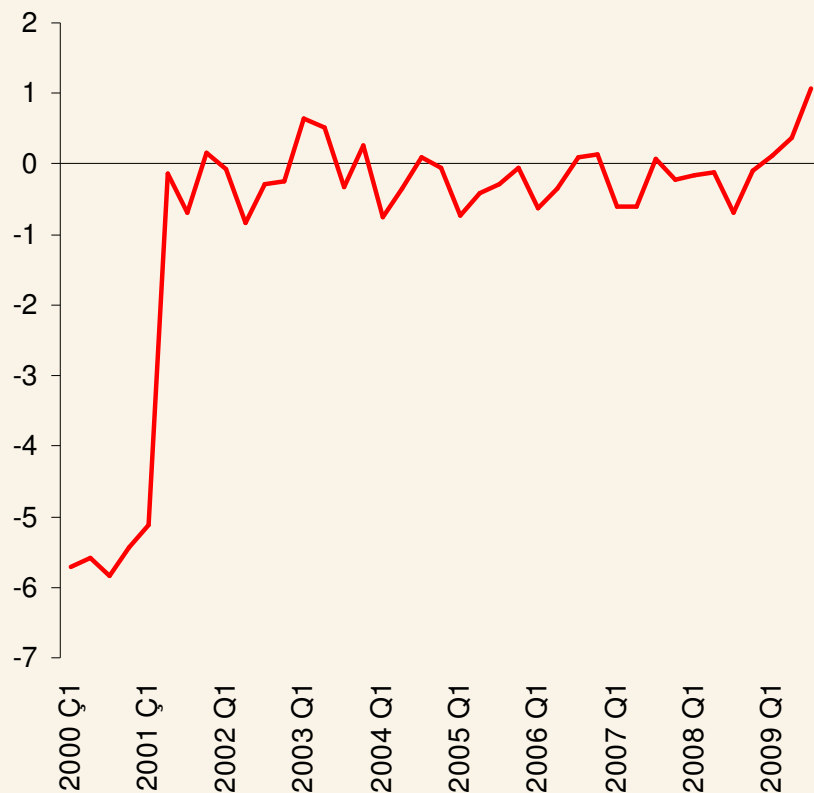


Source: IMF, CBT



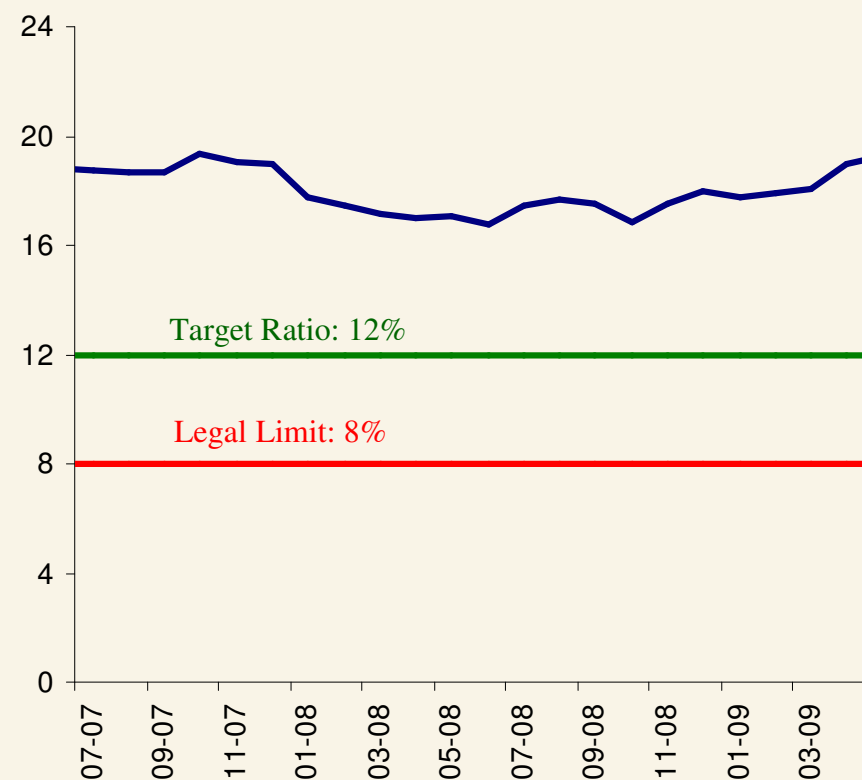
# Banking Sector-I

**Net FX Position**  
(2000 Q1 – 2009 Q3, billion USD)



Source: BRSA, CBT

**Capital Adequacy Ratio**  
(July 2007 – July 2009, percent)



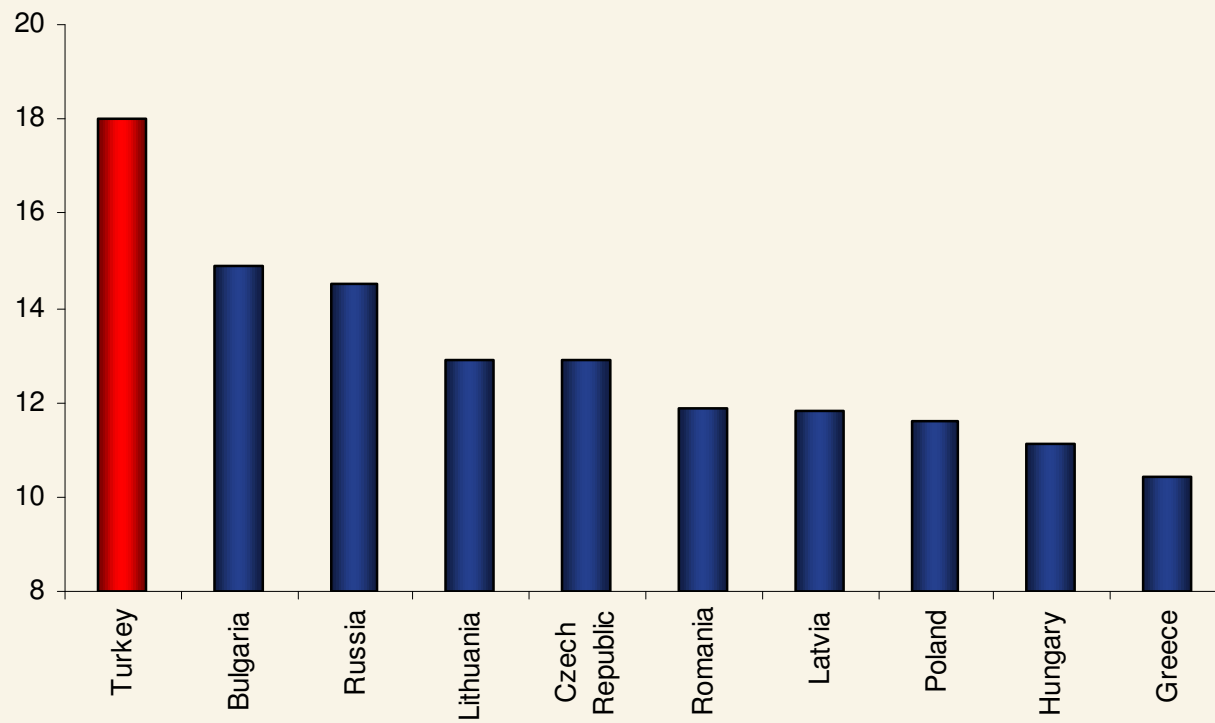
Source: BRSA, CBT



# Banking Sector-II

## ***Capital Asset Ratios of Selected Countries***

*(As of Dec 2008, percent)*



Source: BRSA, CBT



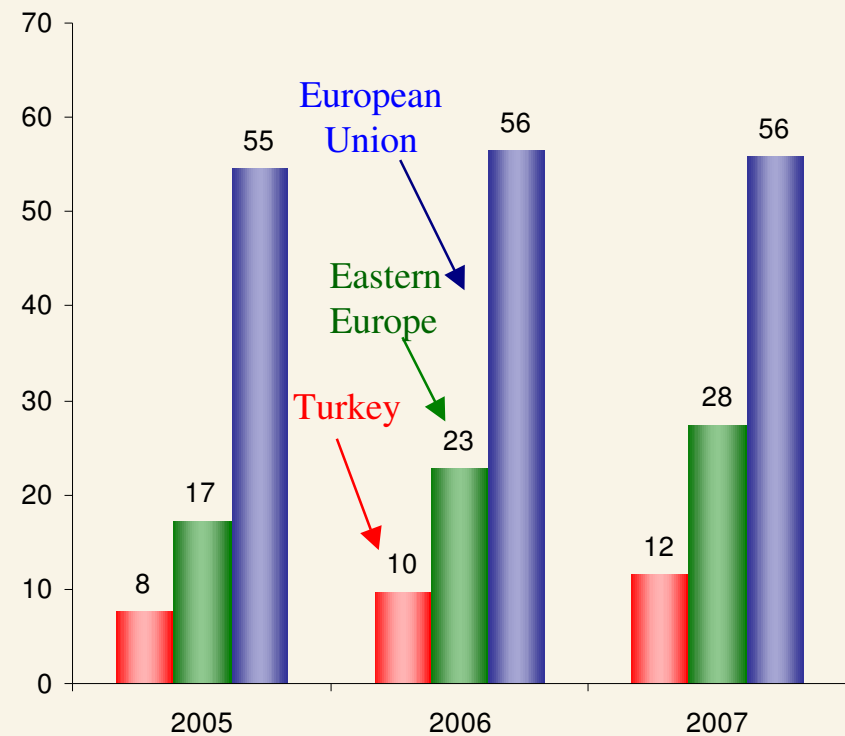
# Households

**Ratio of FX-Indexed Consumer Loans  
to Total Consumer Loans**  
(2003 – Sep 2009 billion USD)



Source: CBT

**Ratio of Household Liabilities to GDP**  
(2005 – 2007, percent)



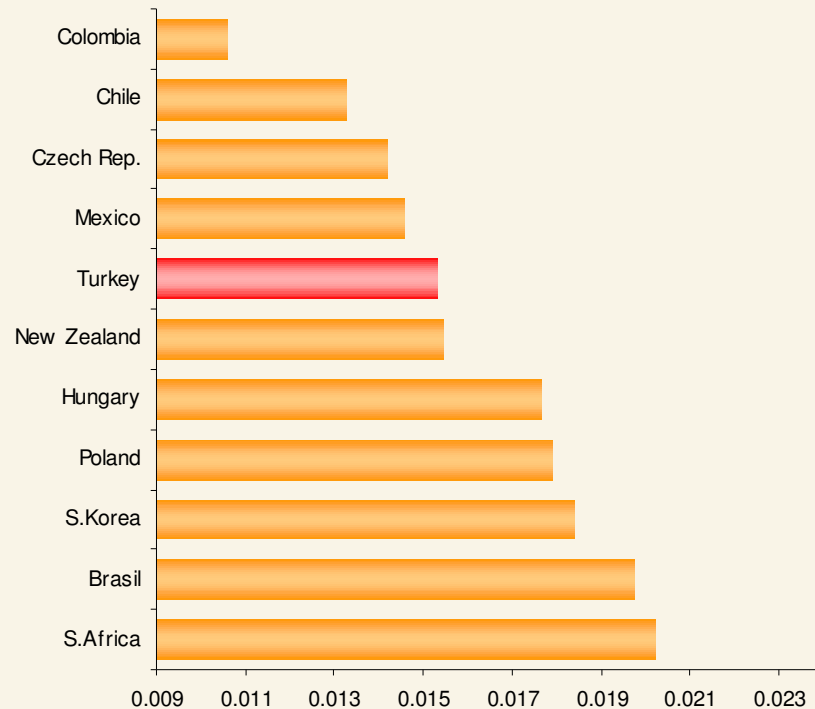
Source: European Central Bank, CBT



# Financial Stability in Turkey

## Exchange Rate Volatility

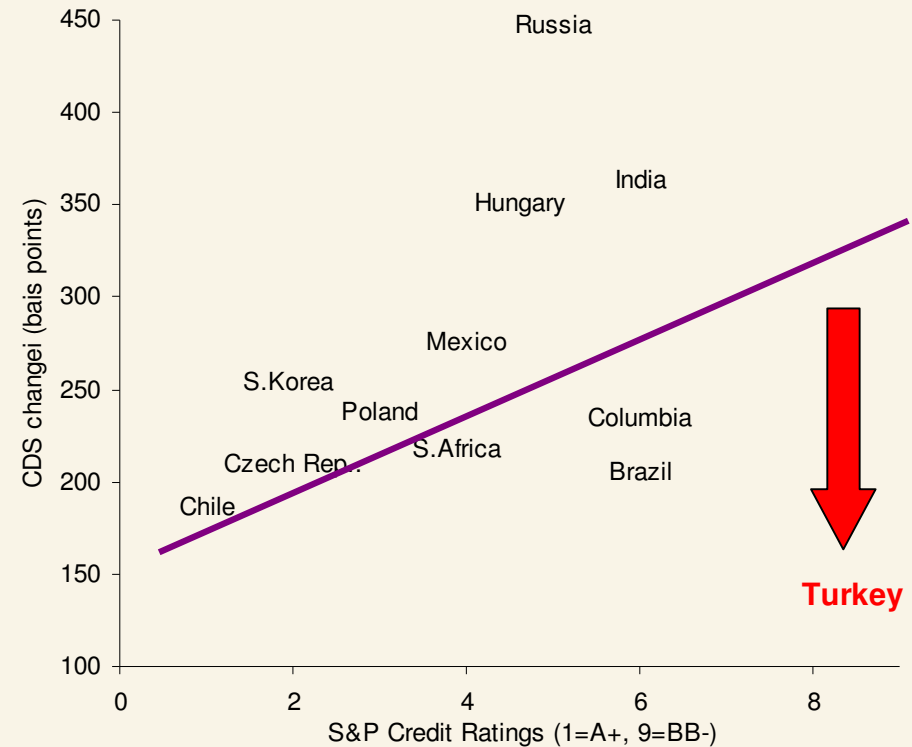
(Sep 2008 – Aug 2009, standard deviation of daily changes in exchange rates)



Source: Bloomberg, CBT

## Change in Credit Ratings and Risk Premia of Countries

(Sep 2008 – Mar 2009)



Note: Trend line includes all countries except Turkey

Source: Bloomberg, CBT

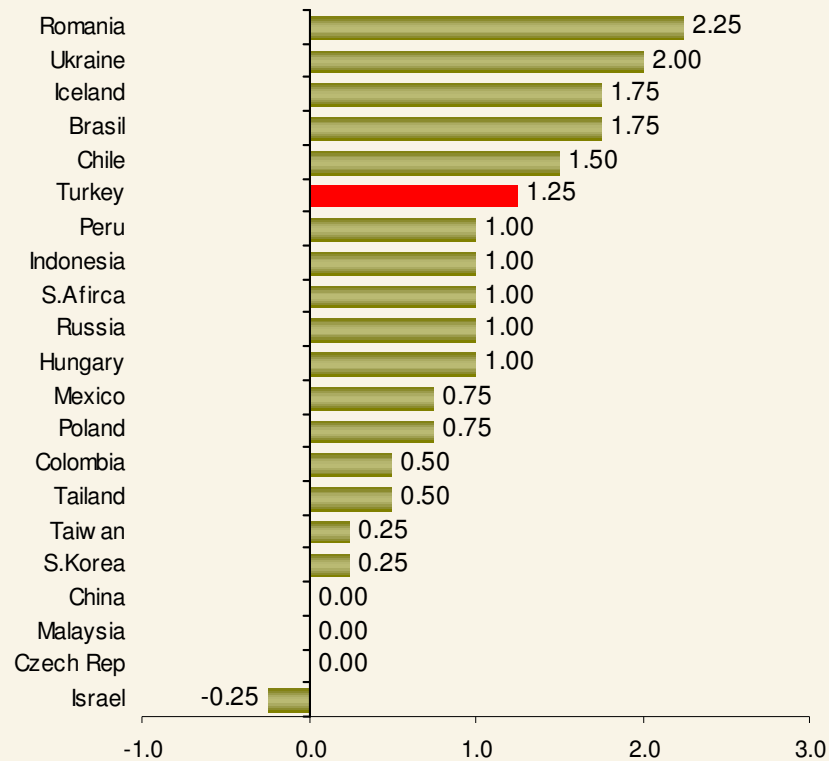




# Monetary Policy Stance

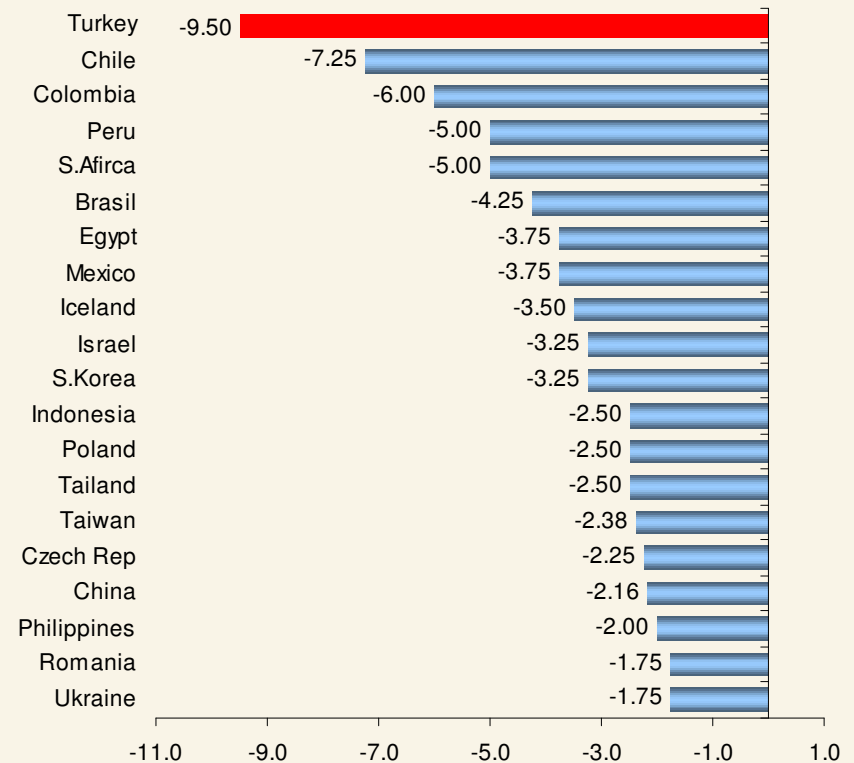
## *Policy Rate Change in Emerging Market Economies* (percent)

Jan 2008 – Aug 2008



Source: CBT, Central Banks

Aug 2008 – Sep 2009



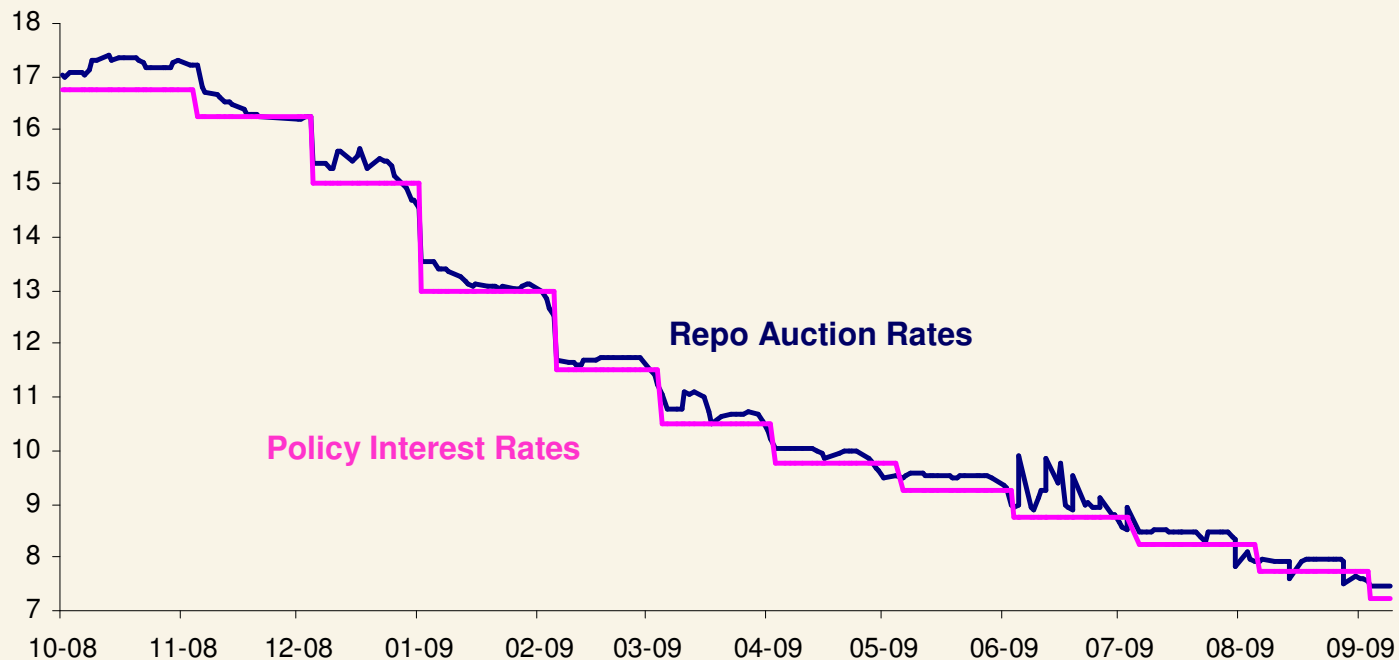
Source: CBT, Central Banks



# Turkish Lira Liquidity

- CB hold the lending rates within 50 bps margin of policy rate in order to provide liquidity while preventing the volatility.
- On June 17, 2009 repo transactions with maturities up to 3 months were initiated.

**CBT Short-Term Interest Rates and  
Repo Auction Rates**  
(Oct 2008 – Sep 2009, percent)



Source: CBT

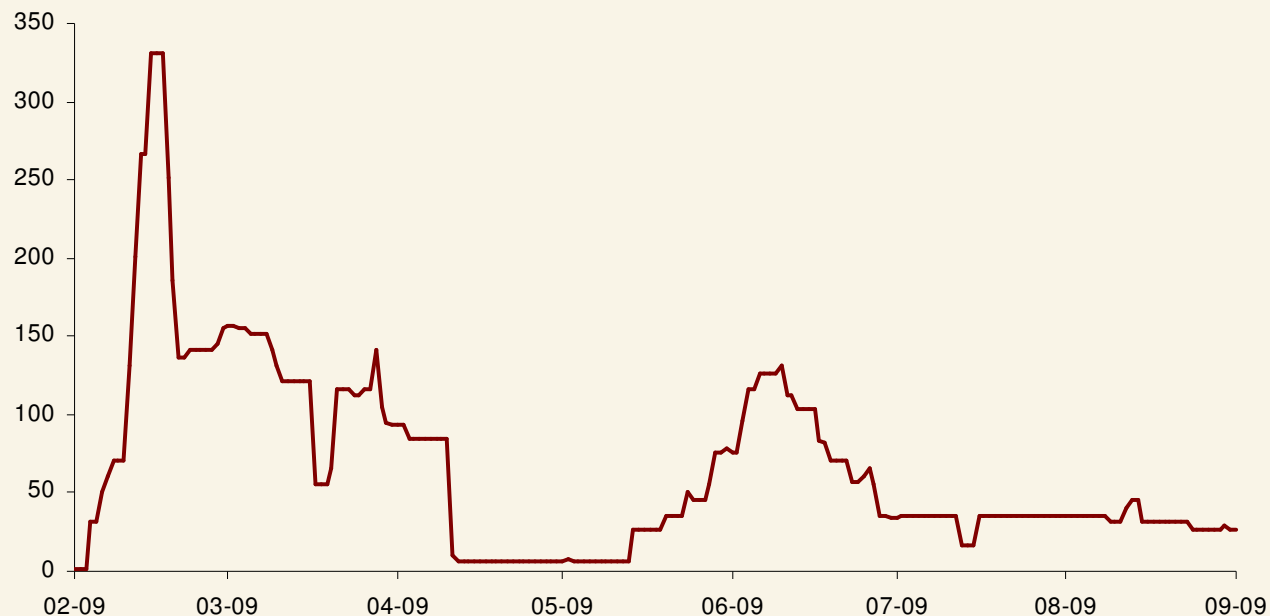


# FX Liquidity Measures

- The Central Bank used the foreign exchange reserves primarily to support our banking system.
- The Central Bank resumed its activities as an intermediary in the Foreign Exchange Deposit Market; lending rates of this market were reduced and maturities extended.
- During periods of extreme price movements, foreign exchange liquidity was injected via foreign exchange selling auctions.

## ***CBT FX Deposit Market Outstanding Balance***

*(Feb 2009 – Sep 2009, million USD)*

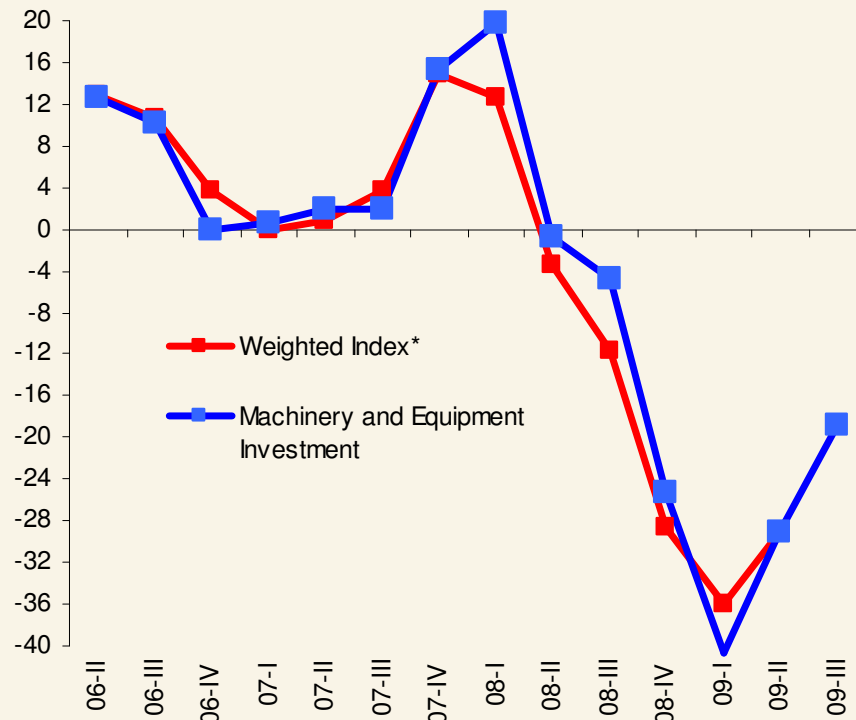


Source: CBT



# Investment and Employment

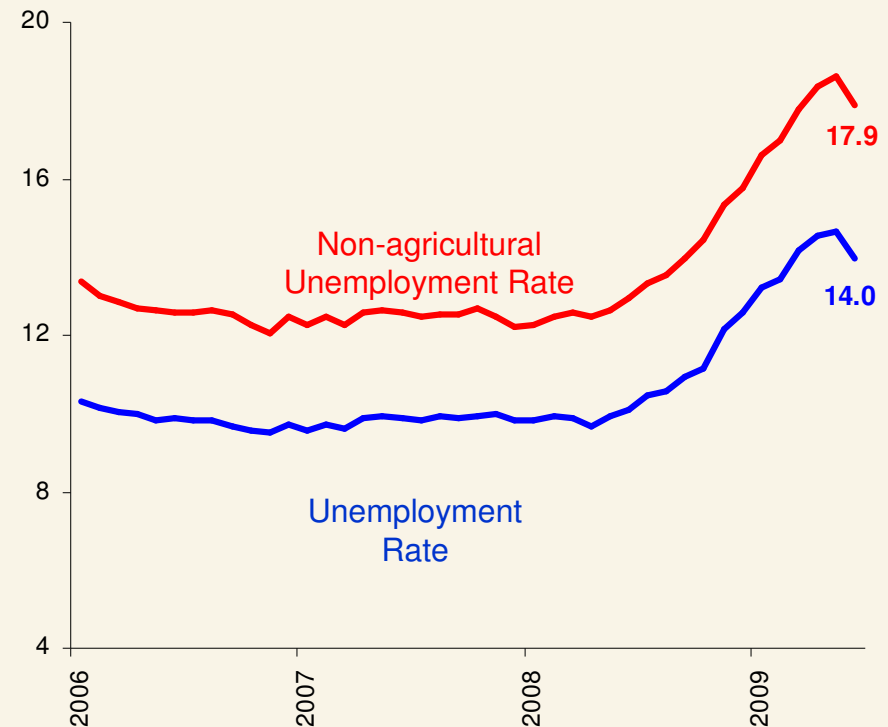
**Investment Expenditures**  
(2006 Q1 – 2009 Q3, percent)



\* An Index compiled by using data pertaining to production and imports of investment goods

\*\* Source: TURKSTAT, CBT

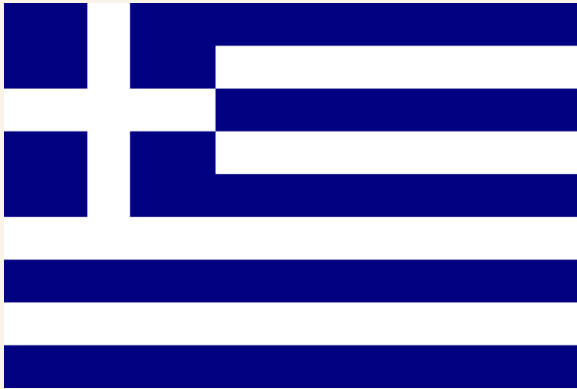
**Unemployment Rates**  
(Jan 2006 - Jun 2009, sa, percent)



Source: TURKSTAT, CBT



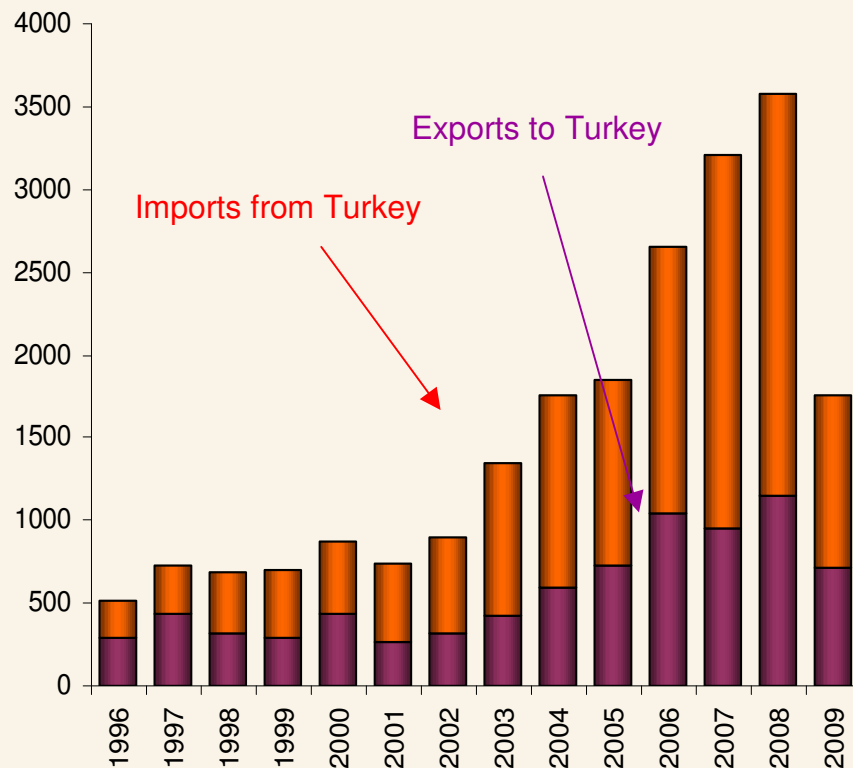
# Bilateral Relations Between Turkey and Greece





# Bilateral Trade Between Greece and Turkey

**Trade Volume Between Greece and Turkey**  
(Jan 1996 – Aug 2009, 12-month rolling sum, million US Dollar)



	Exports to Turkey	Imports from Turkey	Total Trade
2000	438	431	869
2007	2,263	950	3,213
2008	2,430	1,151	3,581
Last 12 Months	1,751	1,065	2,816

Source: TURKSTAT, CBT



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