Contents

1. TSPAKB
2. Turkish Economy
3. Market Reforms
TSPAKB

- Founded in April 2001 as a self-regulatory organization.
- 143 members; 102 brokerage firms, 1 derivatives brokerage firm and 40 banks.
- Assets of our members correspond to 87% of GDP.
- We;
  - Regulate and oversee the intermediaries,
  - Issue licenses to market professionals,
  - Offer training programs,
  - Publish a variety of research,
  - Cooperate with foreign institutions.
Institutions in the Market

CAPITAL MARKETS BOARD

- Istanbul Stock Exchange
- Settlement & Custody Bank
- Turkish Derivatives Exchange
- Central Registry Agency
- Gold Exchange
- Public Companies
- Asset Management Companies
- Institutional Investors

TSPAKB

- Banks
- Brokerage Firms
- Derivative Brokerage Firms
Turkey is the 17th largest economy in the world, with US$ 736 billion GDP.

Real GDP growth rate was 8.9% in 2010. 2011 forecast is 6%.

Turkey’s foreign currency sovereign rating continues to be speculative grade, BB by S&P, Ba2 by Moody’s.
Annual inflation is 6.7% in August 2011.
Contrary to advanced economies, Turkey’s public debt has been decreasing.
Contents

1. TSPAKB
2. Turkish Economy
3. Market Reforms
Market Reforms

2008

- IPO Campaign initiated.

2009

- Strategy plan for Istanbul International Financial Center Project announced.
- Automated Disclosure Platform introduced.
- Emerging Companies Market and Collective Products Market established.
- Trading hours extended.

2010

- Investor Awareness and Perception Survey conducted.
- Warrants introduced.
- Reduction of tick sizes.
- Order cancellation allowed.
- Permission to commercial banks to issue TL denominated bonds and bills.

2011

- Investor Education Campaign initiated.
- Forex regulations introduced.
Market capitalization declined by 27% to US$ 226 billion in the first 8 months of 2011.

Number of listed companies increased significantly in the last two years.
IPO Campaign

- Seminars are being organised in different cities, targeting industrial companies.
- IPO Summits organised in May and November 2010. More than 1,000 companies attended.
- Wide and continuous press coverage through events and PR activities.
- Capital Markets Board facilitated the IPO processes, minimum free-float requirement was abolished and applications are handled more quickly.
- Regulations of Real Estate Investment Trusts were facilitated.
- Foreign and dual listing procedures are eased.
IPO Campaign Results

- 23 IPOs completed as of 08/2011.
- No. of listed companies increased to 360.
- ISE had its first foreign listing in 2010.

- 6 more IPO applications are awaiting approval as of today.
- 85% of top 1,000 industrial companies are not listed yet. The potential is promising.
Treasury bonds’ interest rate fluctuated around 8% in 2011.

Overnight borrowing rate has declined from 18% in 2008 to 6% in 2011.
With falling interest rates and regulatory amendments, corporate bond market boomed.

$3.8 bn. of corporate bonds were offered in 2010, while in the first 4 months of 2011, new issues reached $5.1 bn., with banks as the main issuers.
Turkish Derivatives Exchange

- TurkDex has been growing steadily since its launch in 2005.
- Equity index contracts are dominating the market.
- Diversifying the product range is crucial to improve the derivatives market.
New Products

- Warrants
- Foreign Exchange
- Energy Contracts
- Single Stock Futures
- Options
Final Remarks

- The global financial crisis did not affect Turkey much. Government borrowing, inflation and interest rates came down.
- Equity, fixed income and the derivatives markets had very favorable conditions.
- Several reforms were made, mainly facilitating IPOs and bond issuance.
- Current studies focus on expanding the product range in the market.
Thank You!