



Financial Safety Net

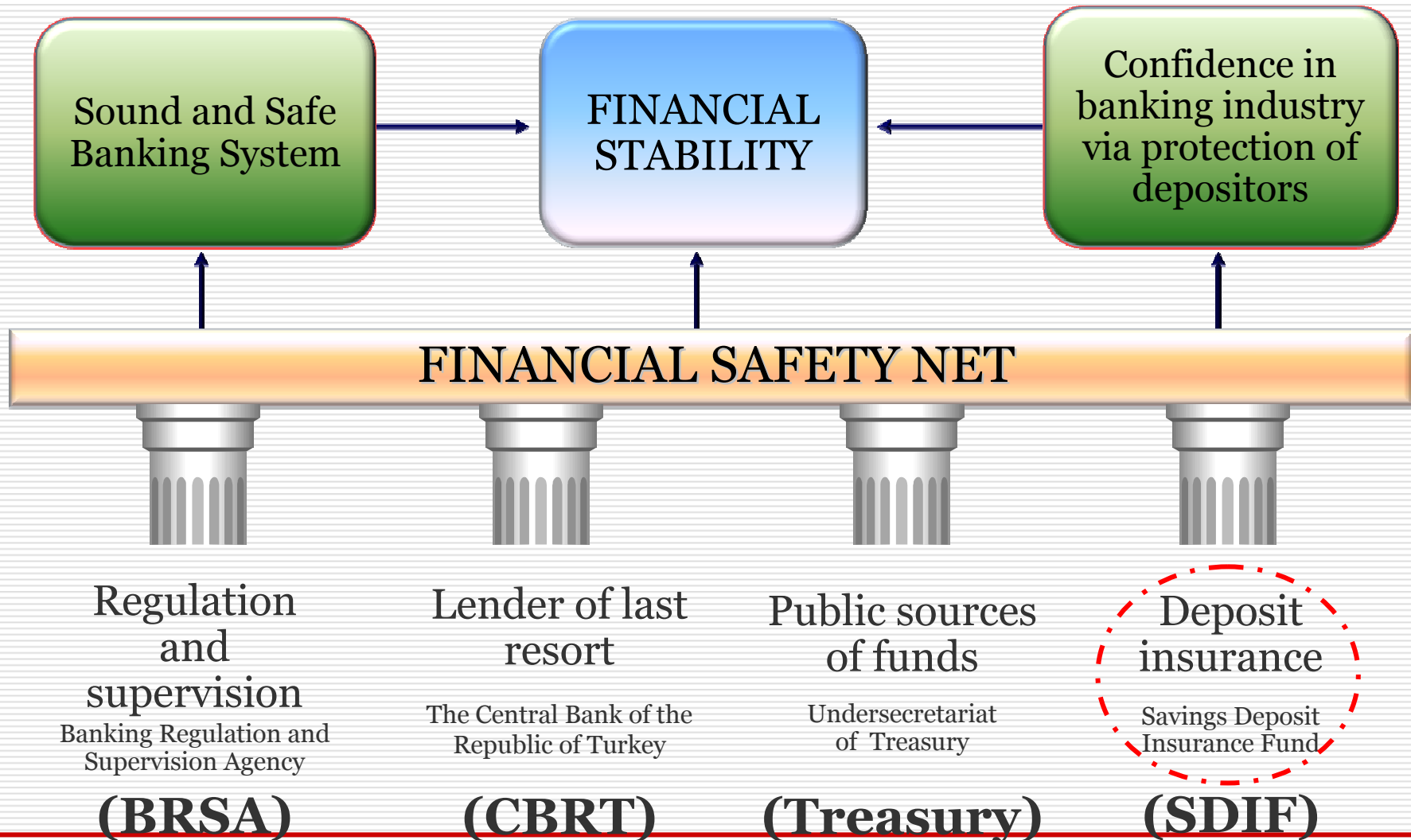
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Vice President

...NO FINANCIAL



FSN Players





Relations Among FSN Players

- Banking Law supports and regulates the coordination among all financial safety net participants.
 - ✓ Cooperation among institutions (Articles 63, 98, 122)
 - ✓ Financial Sector Commission (Article 99)
 - ✓ Coordination Committee (Article 100)
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Cooperation Among Institutions

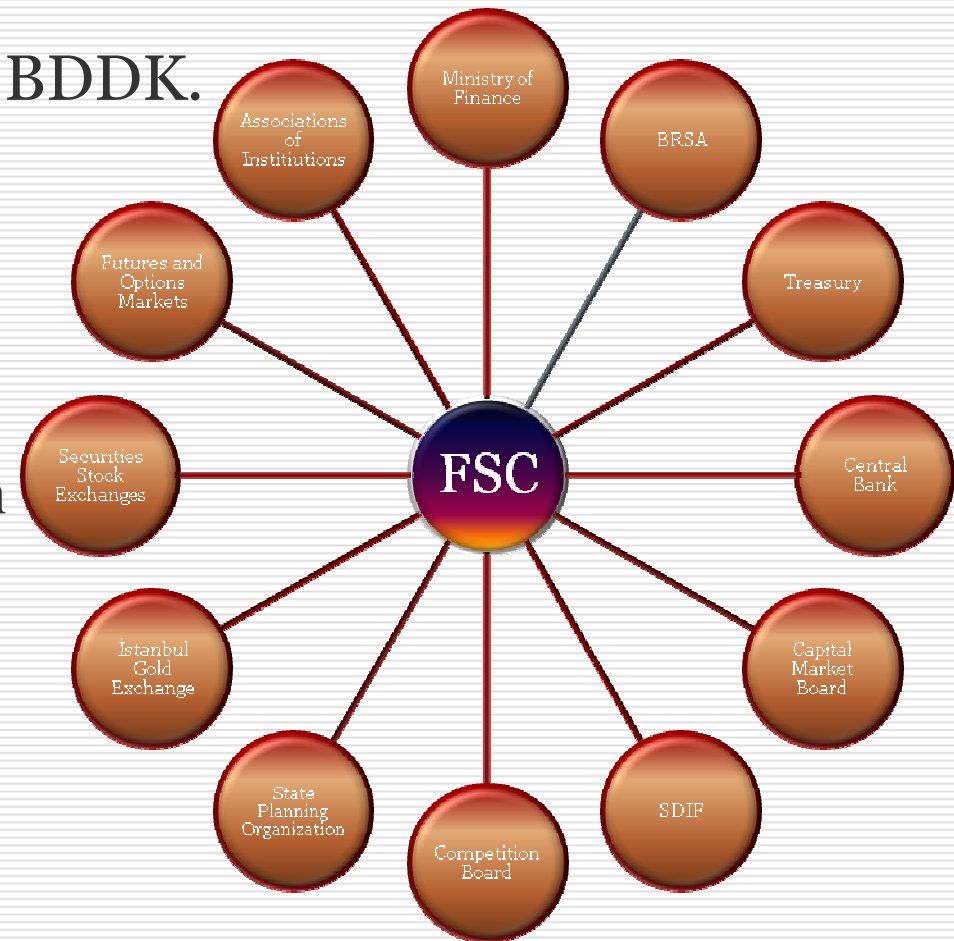
- BRSA, SDIF, CBRT;
Share the information they have in their databases and they have agreed upon to share, under the protection of secrecy. (Article 98)
 - BRSA, SDIF, CBRT, Treasury, State Planning Organization;
Exchange views regarding the implementation of monetary, credit and banking policies. (Article 98)
 - SDIF may ask BRSA to provide the information and documents needed in order to supervise whether the insurance premiums are paid within the framework of the principles set. (Article 122)
 - SDIF Board;
 - ✓ Sets the coverage and amount of the savings deposits under insurance upon the approval of the CBRT, BRSA Board and Treasury;
 - ✓ Designs risk based premium system upon consulting BRSA Board. (Article 63)
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Financial Sector Commission

➤ Established under the body of BDDK.

➤ Responsible for:

- ✓ information exchange,
- ✓ cooperation and coordination among institutions,
- ✓ proposing joint policies and expressing views.



Coordination Committee

- Established to ensure information sharing between BRSA and SDIF concerning;
 - ✓ general condition of the banking system,
 - ✓ measures to be taken with respect to the Prompt Corrective Action (PCA) of the bank supervisor,
 - ✓ factors to be used in calculating risk-based insurance premiums,
 - ✓ basic parameters related to total & insured deposits in banking sector.
 - Consists of the Presidents and Vice Presidents.
 - Meets at least quarterly.
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Financial Stability Board

- Statutory decree No.637
 - Consists of Deputy Prime Minister, Governor of CBT, Undersecretary, Presidents of BRSA and SDIF.
 - Detects systemic risks which could affect the entire financial system, take necessary actions and set policies in order to minimize them.
 - Evaluates systemic risk plans developed by relevant bodies.
 - Coordinates systemic risk management.
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Closing Remarks

- Members of the financial safety net are committed to take on responsibility for the protection of financial system.
 - Institutional infrastructure is strong and able to respond to the rapid changes in global financial markets.
 - “Political will and leadership are more important than institutions.” **(Jose Manuel Barroso)**
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THANK YOU!
