



**BORSA
İSTANBUL**

Benchmark for Investment



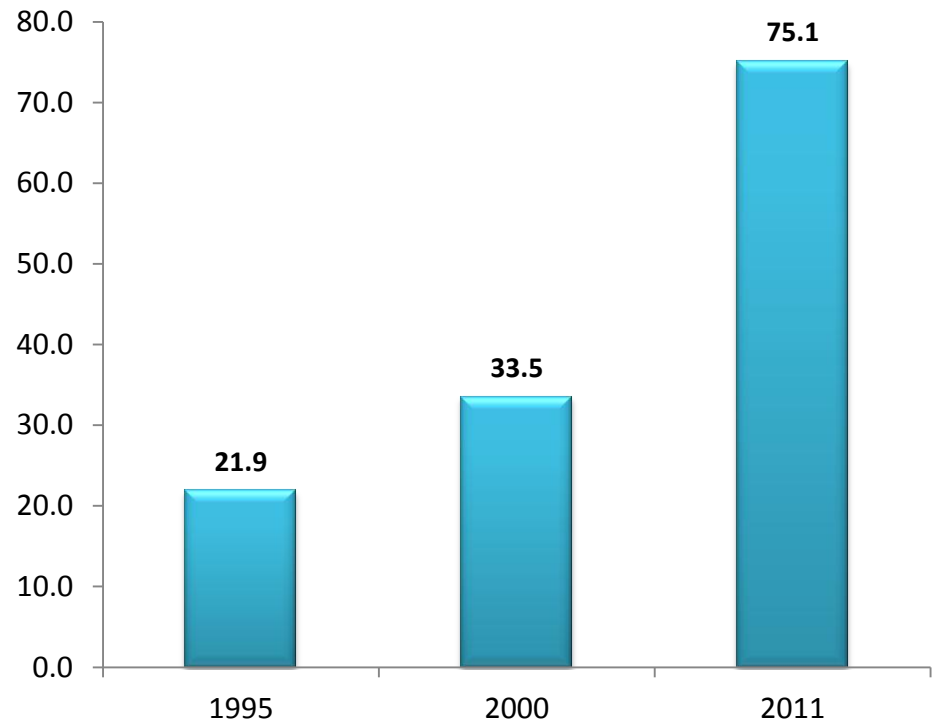
Sustainable Economic Growth: The Role of Institutional Investors

*İbrahim M. Turhan, Ph.D.
Chairman & CEO,
Borsa İstanbul
September 18, 2013*

Demand for Institutional Investor Services on Rise

- Efficient Investment Management
- Effective Portfolio Diversification
- Higher Liquidity
- Improved Corporate Control
- Demographics

Global AuM by Institutional Investors
(USD Trillion)



Support to Financial Stability and Sustainable Growth

Institutional Investors contribute to Financial Stability and Economic Growth

➤ Financial Stability

- Capacity to smooth resources over medium and long term
- Long Term Investment Horizon
- Low probability of herding behavior

➤ Economic growth

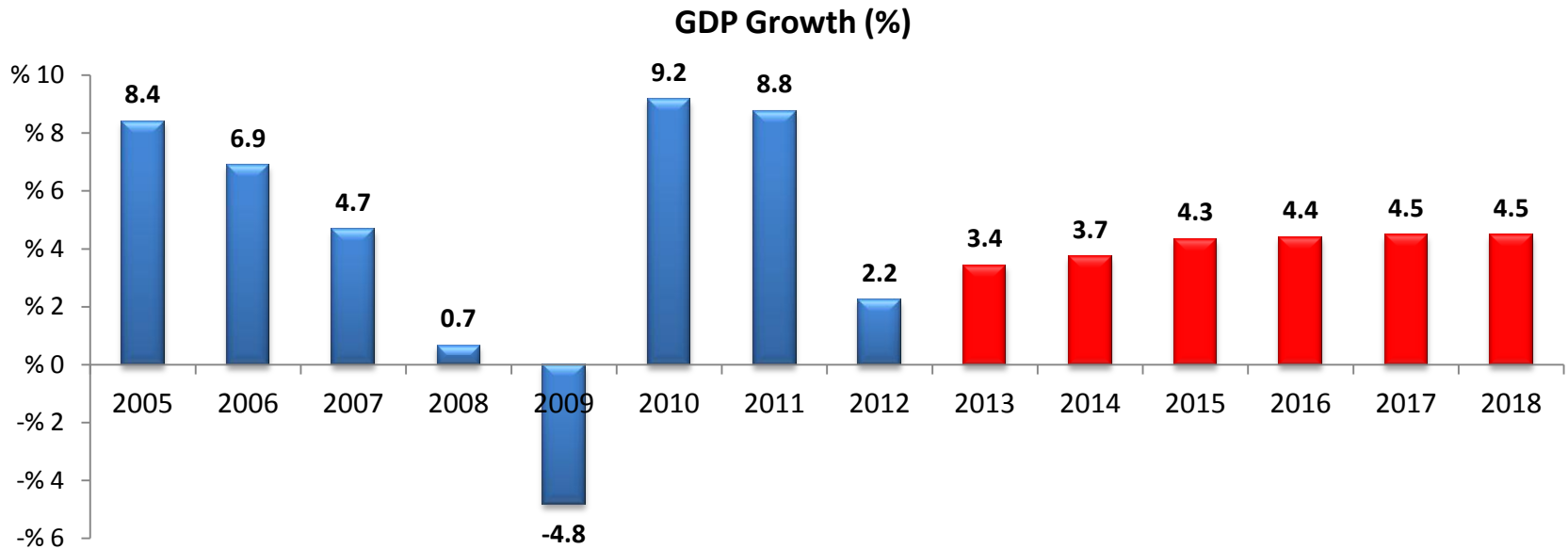
- Investments in various sectors of the economy
- Participation in infrastructure investments and other big scale projects

Turkey's Ambitious Economic Targets

USD 2 Trillion
Economy by
2023

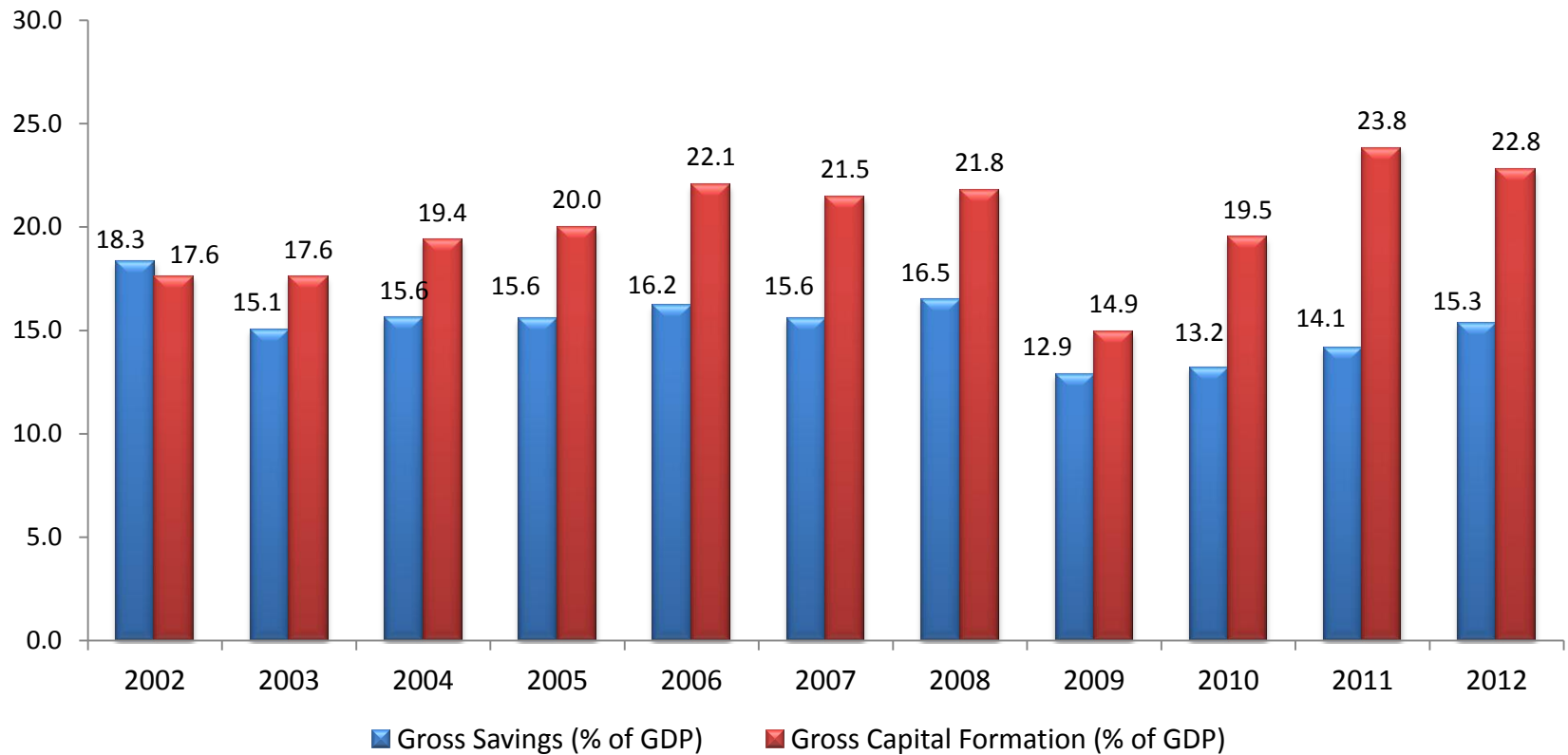
Foreign Trade
Volume of
USD 500 Bn
by 2023

Major
Investments
in the Pipeline

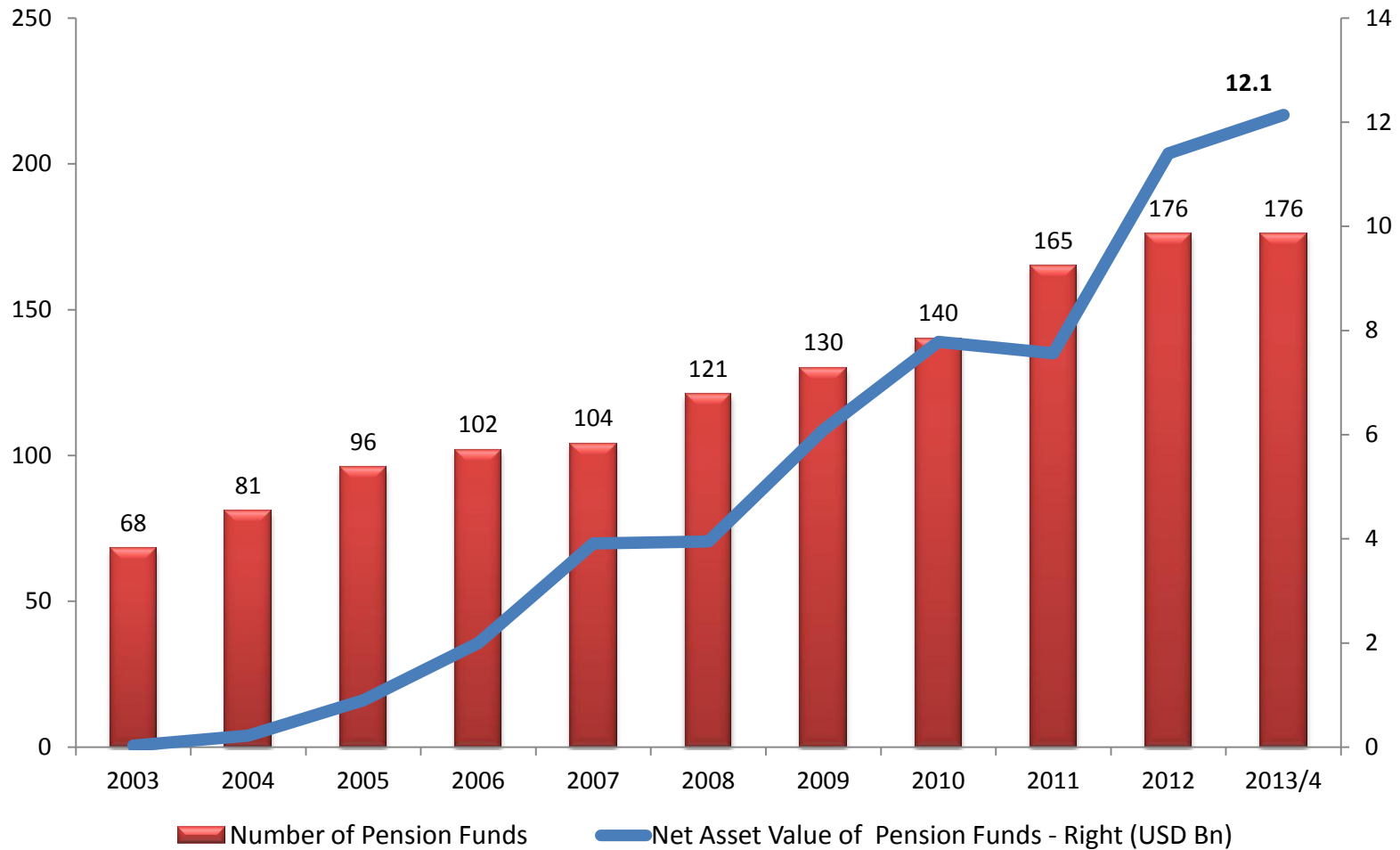


Mind the Gap !

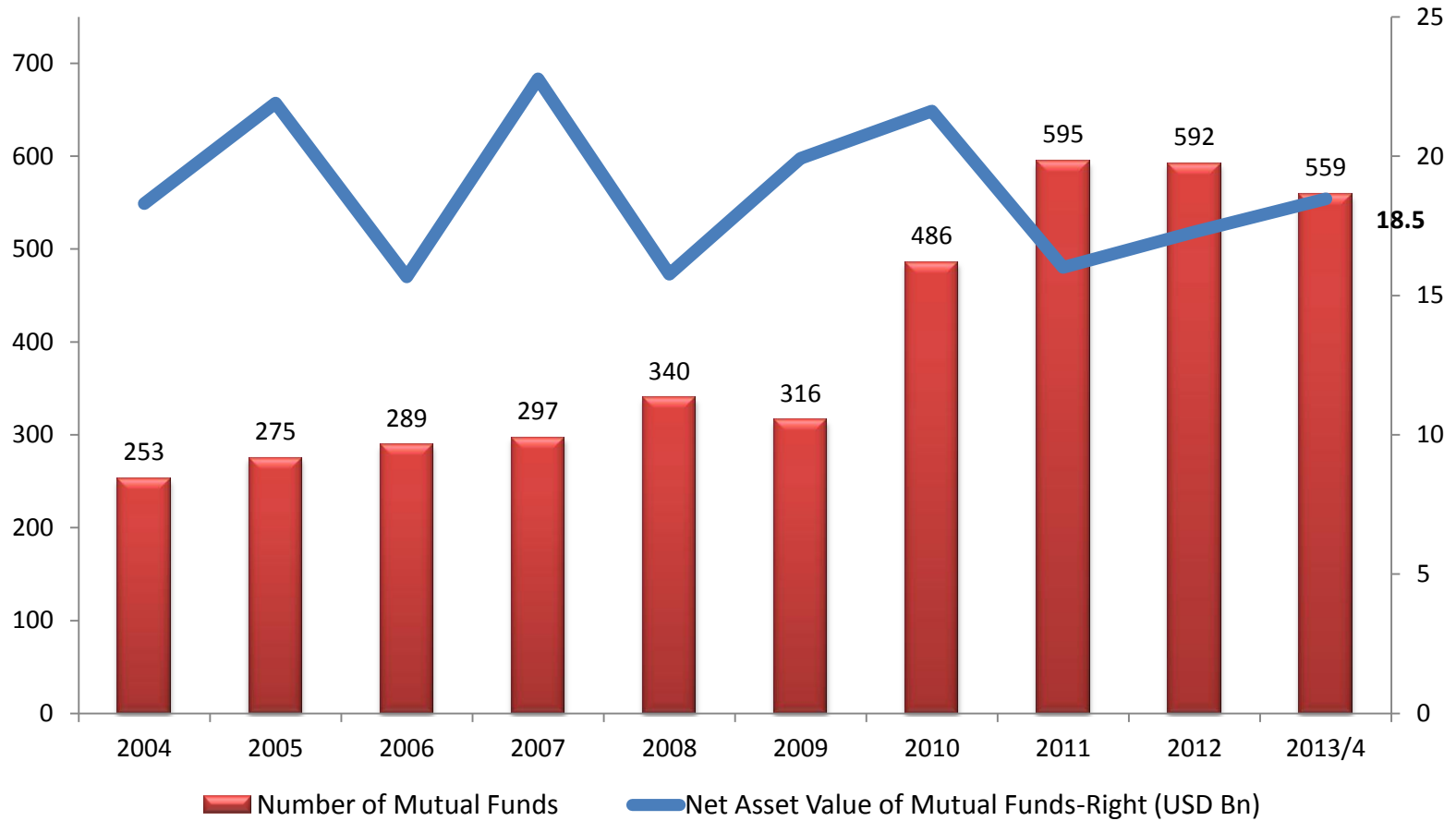
Institutional Investors are key actors to close the savings-investment gap in Turkey



Institutional Investors in Turkey – Pension Funds



Institutional Investors in Turkey – Mutual Funds

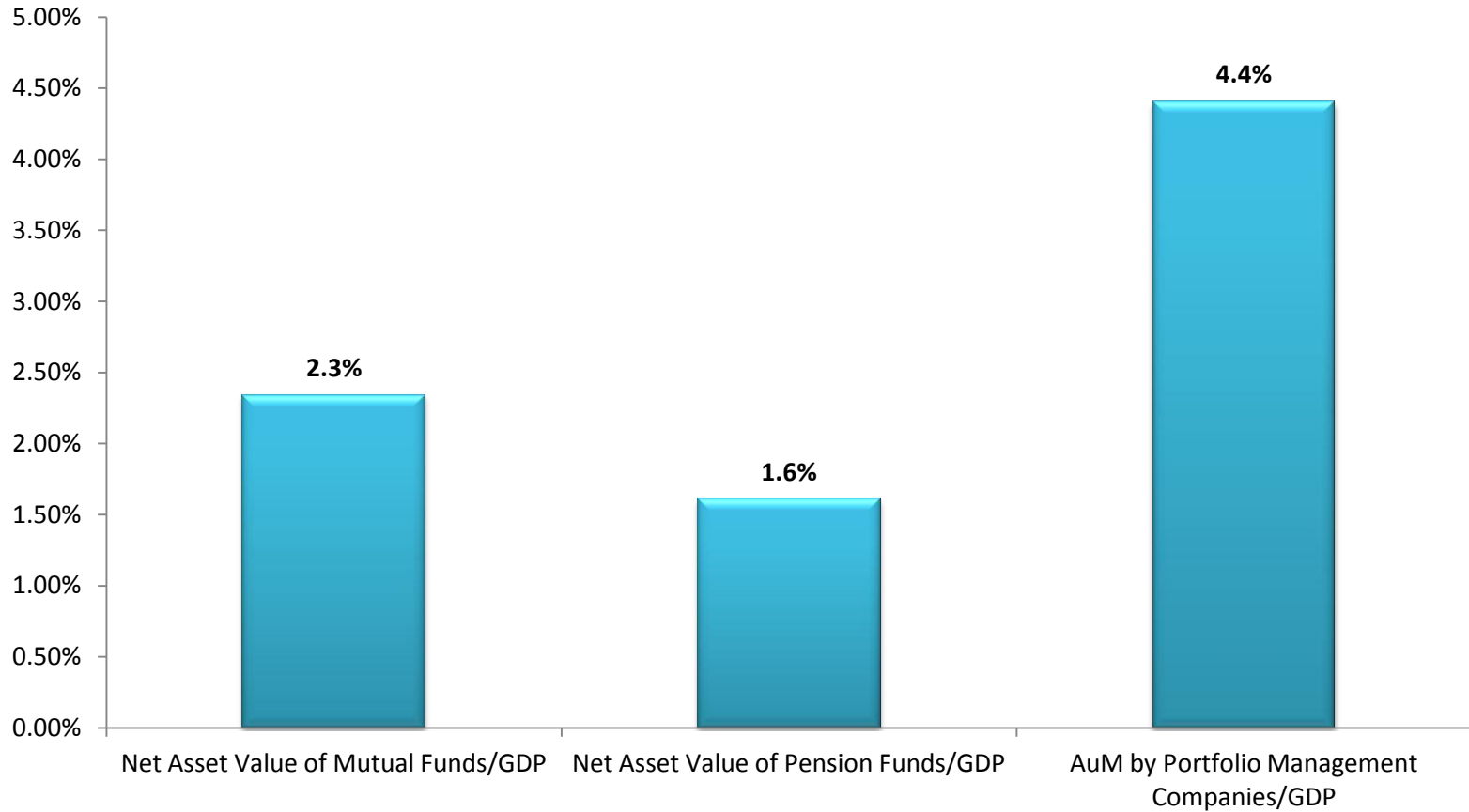


Institutional Investors in Turkey – Portfolio Management Companies



Institutional Investment Penetration in Turkey (%)

Huge Room for Growth



Initiatives to Develop Institutional Investor Base

➤ IFC Vision

- Position Istanbul as a finance hub

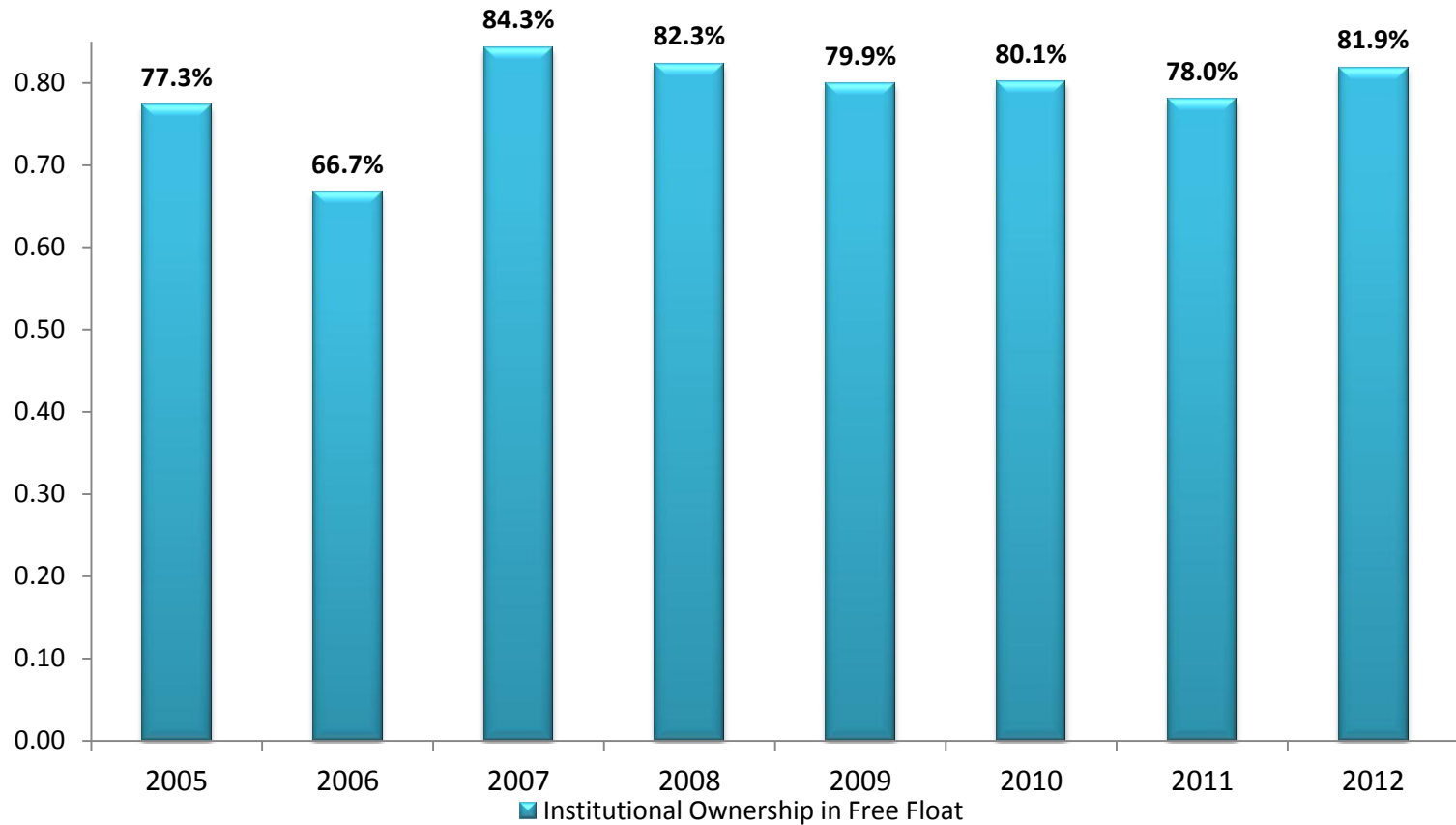
➤ New Capital Markets Law

- Investment Funds will be open-ended
- Costs to establish investment funds reduced
- Global standards for custody of investment fund portfolios

➤ New Individual Retirement System

- 25% state contribution

Institutional Ownership on Free Float at Borsa İstanbul



*: Source: Borsa İstanbul and The Association of Capital Market Intermediary Institution of Turkey

Nearly 65% of free float was owned by foreign institutional investors as of the end of 2012 while the remaining portion of nearly 17% was owned by domestic institutional investors

Borsa İstanbul: A One-Stop Shop for Financial Instruments

- IPO Campaign
 - 1000 Listed Companies and 70% Market Cap/GDP ratio by 2023
- New Markets and Products to Appeal to Different Investor Groups
 - Corporate Bonds
 - Sukuk
 - Options and Futures
 - Trading Platform for Energy Derivatives
- Borsa İstanbul-Nasdaq OMX Strategic Partnership
 - Technology Matters in Exchange Business!



Sustainable Economic Growth: The Role of Institutional Investors

*İbrahim M. Turhan, Ph.D.
Chairman & CEO,
Borsa İstanbul
September 18, 2013*



**BORSA
İSTANBUL**

Benchmark for Investment