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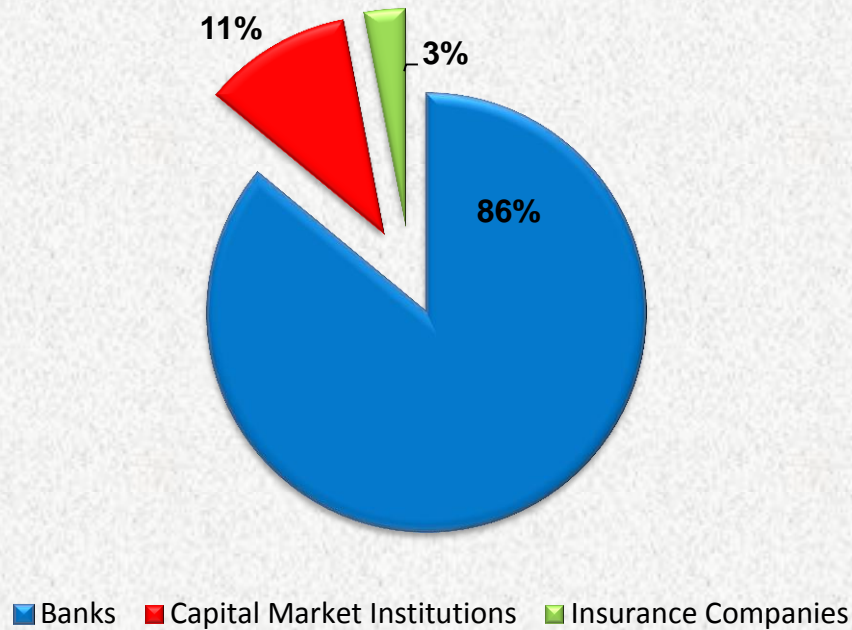
Sermaye Piyasalarının Ekonomideki Yeri ve Borsa İstanbul

*Dr. M. İbrahim Turhan
Borsa İstanbul Başkanı
15 Mart 2013*

Turkish Financial System

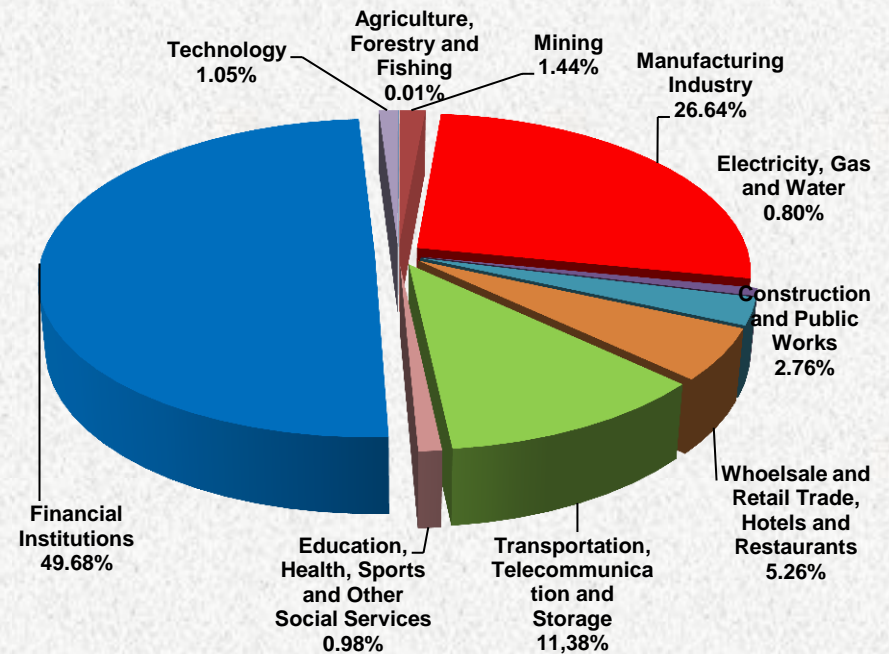
Capital Markets have promising potential for development

Breakdown of Financial Sector Assets in Turkey*



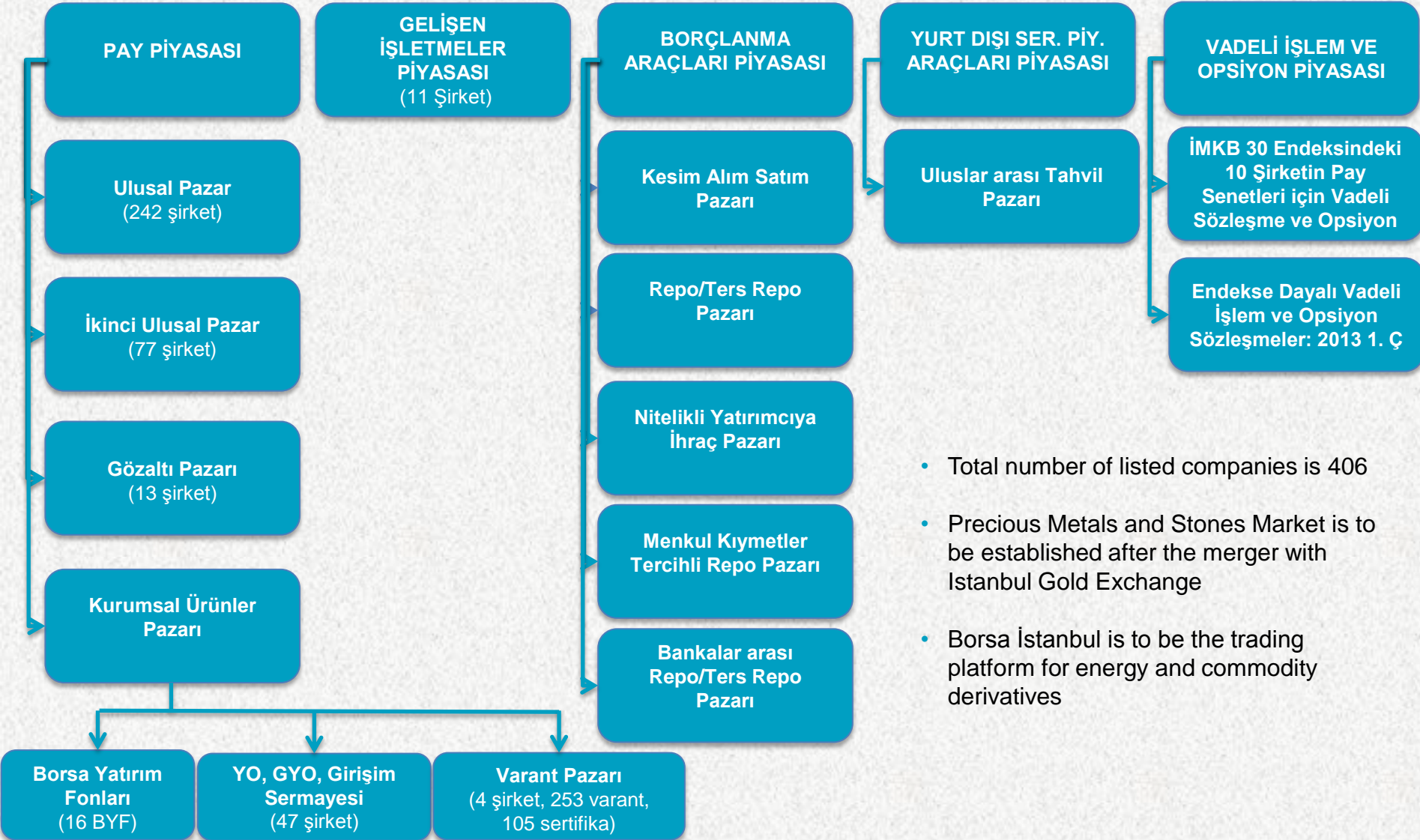
Source: BRSA
*As of October 2012

Sectoral Breakdown of Borsa İstanbul Companies*

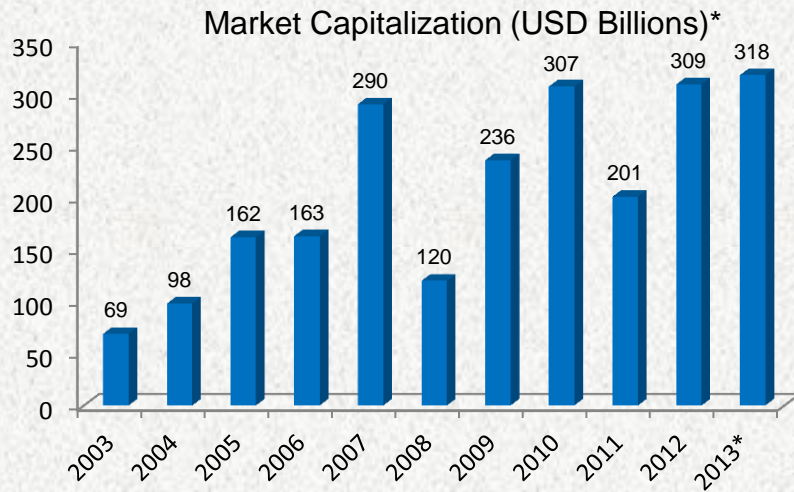
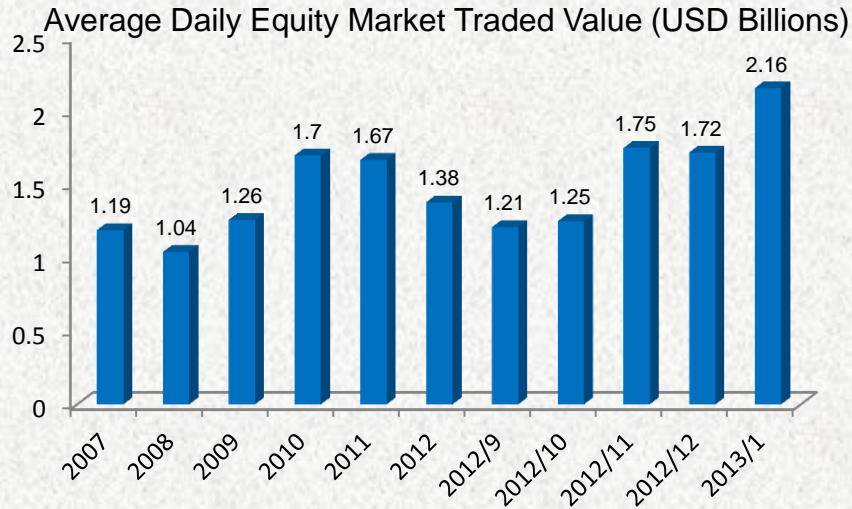


Source: Borsa İstanbul
* As of September 2012

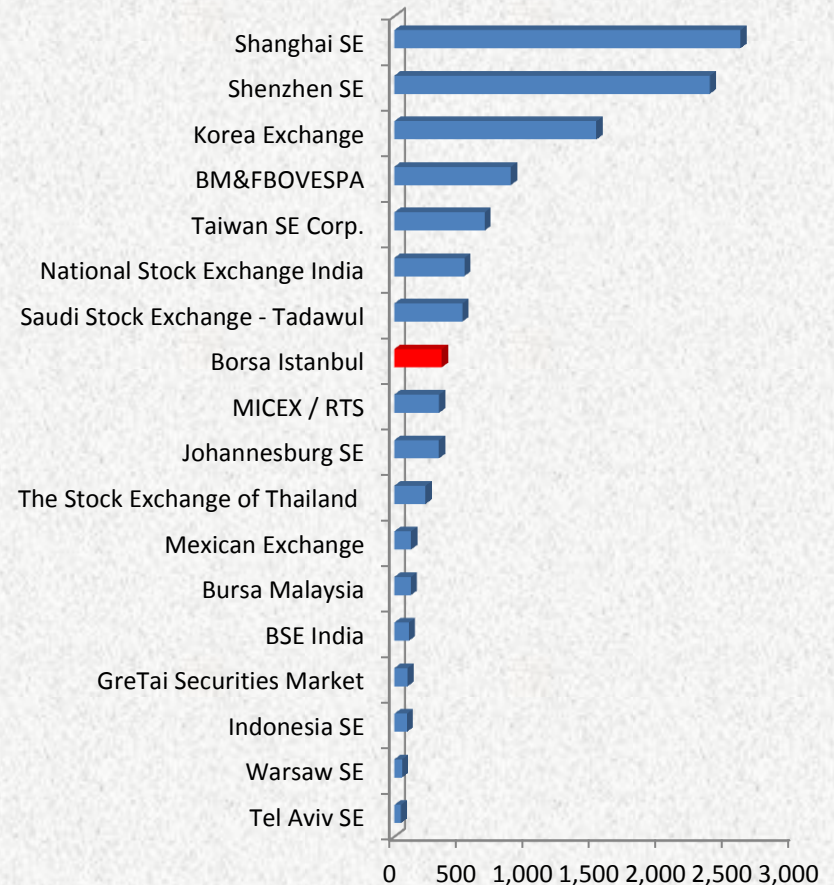
Borsa İstanbul'da Yer Alan Piyasalar



Borsa İstanbul: Market Status



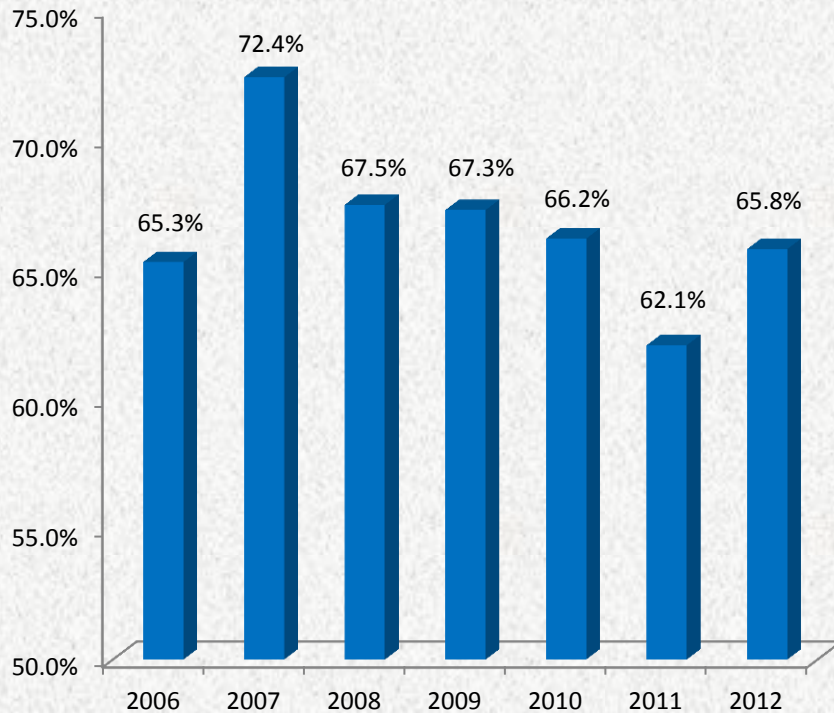
Equity Market Traded Value (USD Billions)



8th highest equity market turnover among the emerging markets

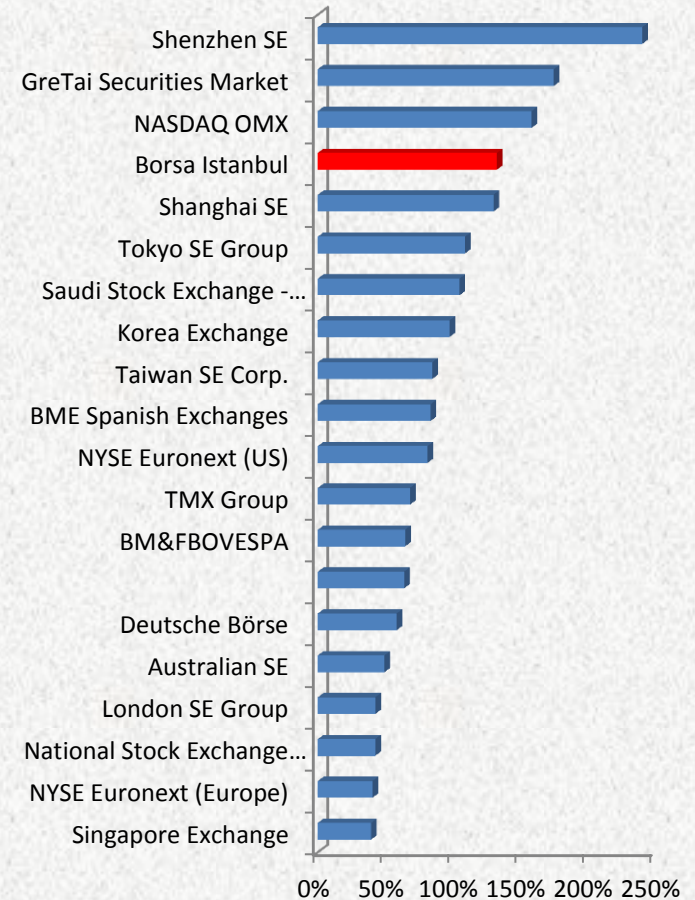
Borsa İstanbul: Foreign Interest and Velocity

Percentage of Foreign Investors in Free Float Market Capitalization



Source: Borsa İstanbul, *As of December, 31st, 2012

Share Turnover Velocity

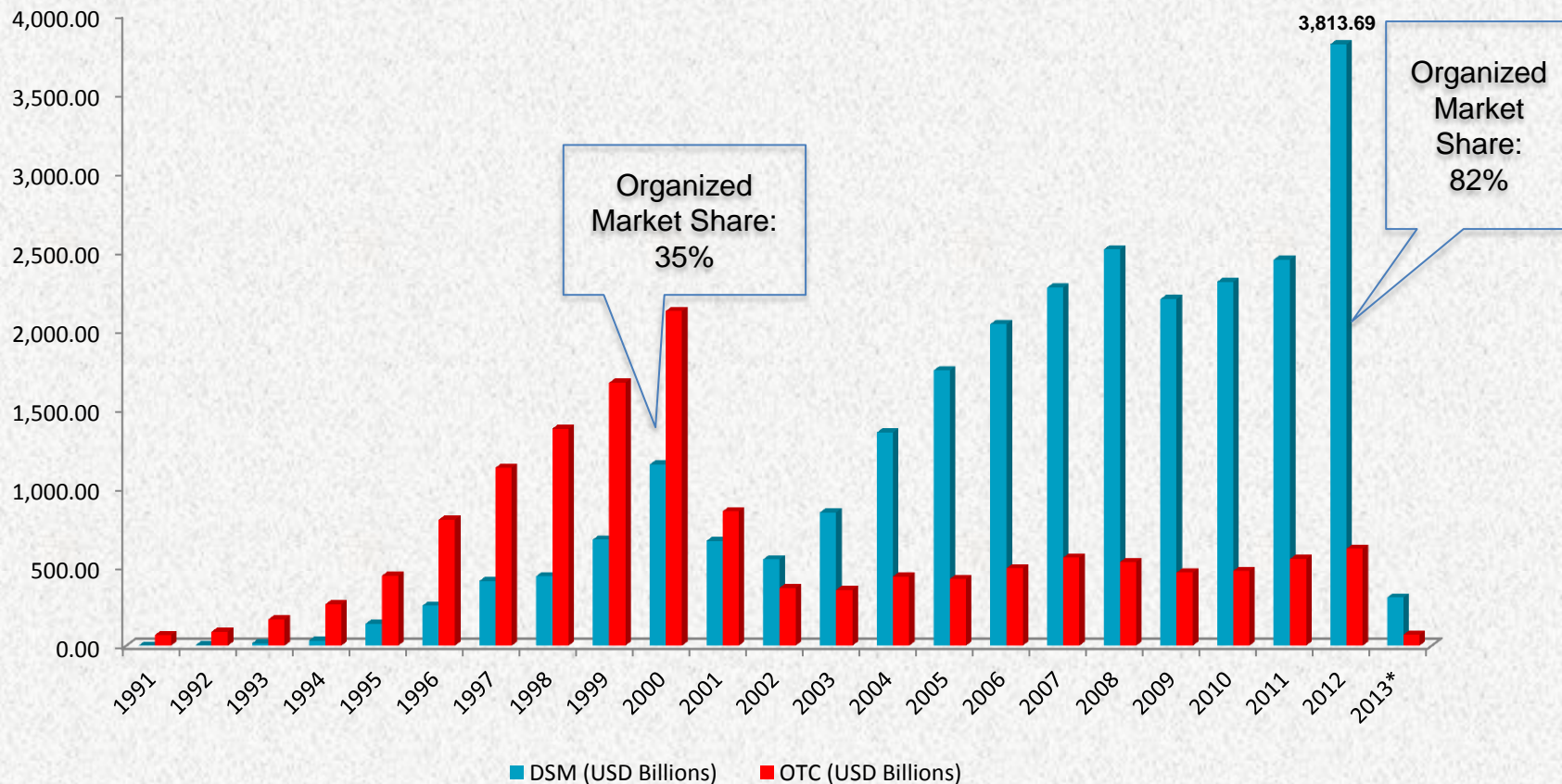


4th highest turnover velocity in the world as of December 2012

Source: World Federation of Exchanges

Borsa İstanbul: A Well-Established Debt Securities Market

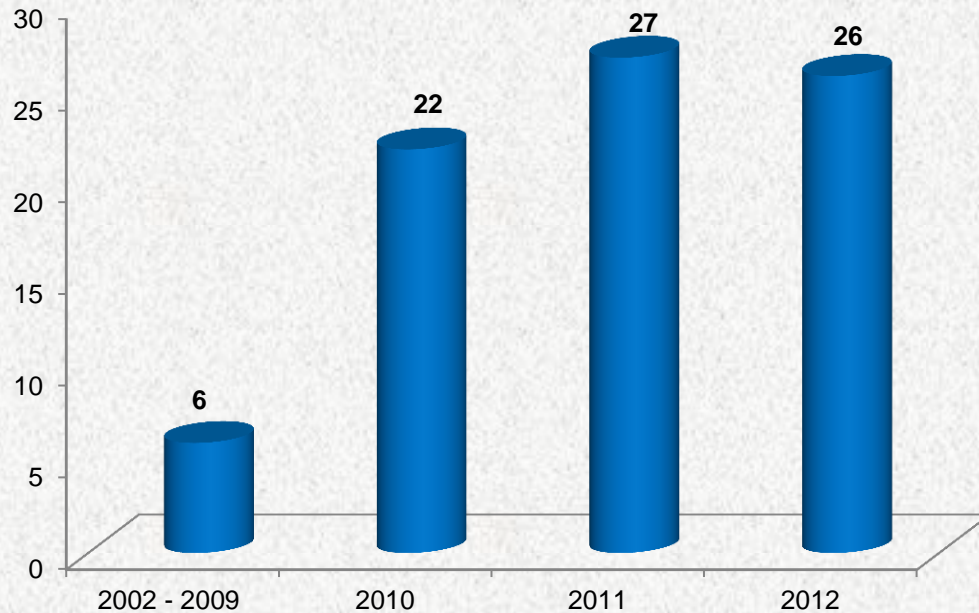
Borsa İstanbul has the world's 4th largest bonds market on electronic order book



Source: Borsa İstanbul, *As of December, 31st, 2012
* Includes repo/reverse repo market.

Borsa İstanbul: High IPO Potential

Number of IPOs*



Source: Borsa İstanbul, *Figure for 2002 to 2009 is annual average

- **10** new companies in emerging companies market with a total of **26** IPOs and **one** SPO during 2012
- Number of listed companies reached to **406**
- Funds raised through debt instrument issuances amount to USD **23,6** billions in 2012
- Remarkable increase in the issuance of debt instruments: **263** new issuances in 2012
- With more IPOs, our intention is to reach at least **50-60%** market capitalization/GDP ratio

New Regulatory Framework

The new Capital Markets Law is enacted at the end of 2012 with a specific intention to:

- meet the requirements of İstanbul International Financial Center Project
- sustain more transparent, effective, reliable, competitive environment for capital market in Turkey
- improve the institutional investment environment such as asset management companies together with increasing retail investor base
- achieve coherence with EU capital market regulations
- enhance corporate governance
- improve operational efficiency

New Regulatory Framework

The Law includes substantial changes on;

- Financial Instruments and Issuers
- Financial Reporting, Independent Audit, Rating, and Valuation
- Capital Market Activities, Intermediaries, and Self-Regulatory Organizations
- Institutional Investors
- Surveillance and Precautionary Measures
- Market Crimes and Sanctions

New Regulatory Framework

In terms of Stock Exchanges

- ✓ Stock exchanges are supposed to be established only as joint-stock companies
- ✓ Alternative exchanges and trading platforms are allowed with subject to approval of the CMB
- ✓ Stock exchanges are allowed to make agreements with alternative platforms and operators to manage their markets
- ✓ Stock exchanges are given the authority to determine the principles and rules for the activities of capital market institutions, issuers, and investors engaging in their markets. For this purpose, they should prepare guides that are subject to the approval of the CMB
- ✓ The rules for the organization structures, operation principles, surveillance of stock exchanges and market operators are determined by the CMB



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