

## FINANCIAL EDUCATION

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## CBRT POLICY RATES (22 April 2015)

Late Liquidity Window Borrowing: <b>0 %</b>	Borrowing Rate: <b>7.25 %</b>	One-Week Repo Rate: <b>7.5 %</b>	Borrowing Facilities Provided for Primary Dealers via Repo Transactions: <b>10.25 %</b>	Marginal Funding Rate: <b>10.75 %</b>	Late Liquidity Window Lending: <b>12.25 %</b>
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## CBRT RESERVES (17 Nisan 2015)

### GROSS FX RESERVES

**103.244** BILLION USD DOLLARS

### GOLD

**19.130** BILLION USD DOLLARS

## INFLATION (March 2015)

**7.61 %**

# FINANCIAL EDUCATION

On a micro scale, financial education is the process by which consumers' financial risk awareness is fostered, their access to financial services is improved, information on financial issues is increased and through this accumulation of information a change in consumers' consumption, investment and saving behavior is achieved. On a macro scale, financial education covers the impact of these changes on the domestic economy and social welfare. The core of raising financial awareness lies in consumers handling their budgets, arranging their income and expenses, effectively managing their investments and savings, and avoiding potential losses.

## FINANCIAL EDUCATION IN TURKEY

In Turkey, when the continuing growth of the financial sector is taken into account, financial education is believed to contribute not only to healthy growth of the financial sector but also to economic growth and social welfare. Up until 2014, studies and work on financial education in Turkey were carried out on dispersed platforms by various institutions with different responsibilities and mandates.

In June 2014, the Financial Stability Committee introduced the Financial Education Action Plan and the Financial Consumer Protection Action Plan. The primary objectives of the Action Plans are to extend financial products and services to all segments of the society, include those who do not use banks and increase the quality and use of existing products and services. Moreover, the Action Plans aim to ensure that effective measures are taken by the leading agencies towards protection of financial consumers.

### FINANCIAL STABILITY COMMITTEE

The Financial Stability Committee was established as per the Decree Law dated 8 June 2011 with a view to closely and effectively monitor macro-financial risks in Turkey. The Financial Stability Committee is chaired by the Deputy Prime Minister for Economic and Financial Affairs responsible for the Undersecretariat of the Treasury and is composed of the Undersecretary of the Treasury, the Governor of the Central Bank of the Republic of Turkey (CBRT), the Chairman of the Banking Regulation and Supervision Agency, the Chairman of the Capital Markets Board of Turkey and the Chairman of the Savings Deposit Insurance Fund. The primary mandate of the Committee is to facilitate coordination among member institutions in order to control financial risks and prevent systemic risks.

### FINANCIAL EDUCATION ACTION PLAN<sup>1</sup>

Expanding financial education in the framework of the Financial Education Action Plan is expected to generate short-term results such as higher per capita economic welfare, an expanded investor base, qualified human resources for the financial sector, and growing and more efficiently functioning financial markets. In the medium and long term, the Action Plans are expected to contribute to further stabilization of the national economy and to an increase in social welfare.

The principles to be adhered to in financial education activities are:

- 1) Inclusiveness
- 2) Neutrality
- 3) Awareness Raising
- 4) Continuity
- 5) Measurement and Review
- 6) Efficiency and Result-Oriented Approach
- 7) Responsiveness to Needs
- 8) Plain Language and Practical Explanation
- 9) Training of Trainers

## EXAMPLES OF FINANCIAL EDUCATION ACTIVITIES CARRIED OUT BY THE CBRT

The CBRT has been designated as the Responsible/Coordinator Agency for the actions to Raise Savings Awareness and Encourage the Use of the Kuruş (Turkish coins) and Train Media Members on Financial Subjects within the framework of the Financial Access, Financial Education, Financial Consumer Protection Strategy and Action Plans. The CBRT has carried out various studies and organized activities to fulfill its responsibility.

For the action 'Fostering the Habit of Saving and Encourage the Use of the Kuruş', the CBRT aimed at increasing domestic savings, which was an important structural target for the Turkish economy and which had been low for a long time, and encouraging the use of kuruş. The primary objective of the publicity campaign is to increase savings awareness and to encourage the use of 'kuruş' among children as Turkey has a very young population and saving habits are mostly acquired in early childhood.

Accordingly, the CBRT set up information booths at the 23<sup>rd</sup> April International Children's Festival organized by the Turkish Radio and Television Corporation (TRT) and displayed numerous training materials and games. Moreover, the CBRT set up information booths at the 2<sup>nd</sup> Child and Youth Finance International Summit (7-9 May 2013), the 1<sup>st</sup> Financial Literacy

and Financial Access Summit (22 May 2013) and the 5<sup>th</sup> İzmir Economic Congress (30 October - 1 November 2013).

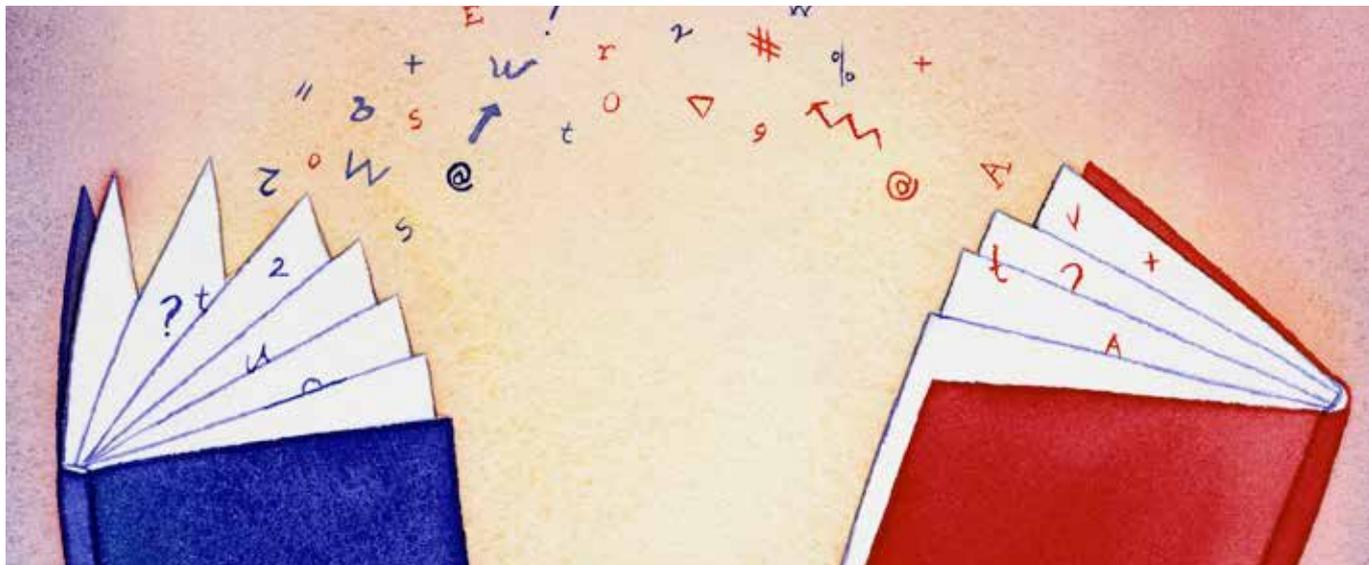
The CBRT has collaborated with the TRT Child Magazine and created the comic strip The Kuruş Family which is included in every issue of the magazine to explain concepts such as the use of the kuruş, savings awareness, saving money, acting prudently while spending money and other issues to children between 8-12.

As another activity within the scope of the Campaign, designated groups from the CBRT have visited primary schools, distributed training materials, conducted training sessions on issues like savings awareness, using the kuruş and coin boxes and showed children animations about saving.

In the framework of the Training Media Members on Financial Subjects activity in the Action Plan, for which the CBRT is the responsible agency, the primary goal has been set as to increase the knowledge and ability of economics correspondents at various agencies on the economy and central banking topics so that they can better interpret the CBRT's announcements and economic data and provide the public with an accurate and comprehensible presentation of the related news. Accordingly, the CBRT organized training programs on 22 November 2014 and 20 December 2014 in İstanbul and on 29 November 2014 and 13 December 2014 in Ankara. Approximately 70 correspondents from domestic news agencies attended these programs.

Moreover, in the international arena, the CBRT has participated in the OCED International Network on Financial Education (INFE). Accordingly, one of the two INFE meetings to be held in 2014 was organized in İstanbul in May 2014.

<sup>1</sup> For detailed information on the Goals and Responsible/Coordinator Agencies and Related Agencies of the Action Plan, please visit "Financial Access, Financial Education, Financial Consumer Protection Strategy and Action Plans". <https://hazine.gov.tr/e/?path=ROOT%2FDocuments%2FGeneral+Content%2FFinancial+Inclusion.pdf>



## NEWS AND PUBLICATIONS FROM THE CBRT

### CBRT WORKING PAPERS

- Informal Versus Formal Search: Which Yields a Better Pay? (Semih Tümen, No. 15/07 February 2015)
- Variable Selection for Inflation: A Pseudo Out-of-Sample Approach (Selen Başer Andıç, Fethi Ögünç, No. 15/06 January 2015)
- Social Interactions in Job Satisfaction (Semih Tümen, Tuğba Zeydanlı, No. 15/05 January 2015)
- Interest Rate Surprises and Transmission Mechanism in Turkey: Evidence from Impulse Response Analysis (K. Azim Özdemir, No. 15/04 January 2015)
- Taxing Fossil Fuels under Speculative Storage (Semih Tümen, Deren Ünalmiş, İbrahim Ünalmiş, D. Filiz Ünsal, No. 15/02 January 2015)
- Joint Dynamics of House Prices and Foreclosures (Yavuz Arslan, Bülent Güler, Temel Taşkın No. 14/40 December 2014)

For Working Papers, please visit:

[www.tcmb.gov.tr/Publications/Research/WorkingPapers](http://www.tcmb.gov.tr/Publications/Research/WorkingPapers)



### INFLATION REPORT 2015-I

The first Inflation Report of 2015 was presented on 27 January 2015 at a press conference attended by Governor Erdem Başçı and the Monetary Policy Committee members. The Report covers, along with the usual chapters, boxes on

- Effects of Oil Prices on Consumer Prices,
- Pass-Through of International Grain Prices to Domestic Prices,
- The Role of Base Effects on Consumer Inflation in 2015,
- Debt Dollarization and Growth Performance of Turkish Companies,
- Macroeconomic Effects of Global Energy Prices,
- Remuneration of Required Reserves,
- Reasons for the Changes in End-2014 Inflation Forecasts.

For the Inflation Report 2015-I, please visit:

[www.tcmb.gov.tr/Publications/Reports/InflationReport](http://www.tcmb.gov.tr/Publications/Reports/InflationReport)



### PRESS CONFERENCE ON THE "MONETARY AND EXCHANGE RATE POLICY FOR 2015"

The Monetary and Exchange Rate Policy for 2015 was presented by Governor Erdem Başçı at a press conference held on Wednesday, 10 December 2014 in Ankara. This policy text introduced the general framework of the monetary policy to be implemented in 2015 and provided information on the liquidity policy and its operational framework as well as the exchange rate policy and the arrangements for financial stability.

The "Monetary and Exchange Rate Policy for 2015" text is available at:

[www.tcmb.gov.tr/Publications/Basic Policy Readings](http://www.tcmb.gov.tr/Publications/BasicPolicyReadings)



### CENTRAL BANK REVIEW

It is a biannual double-blind refereed journal published by the CBRT.

For the Central Bank Review, please visit:

[www.tcmb.gov.tr/Publications/Central Bank Review](http://www.tcmb.gov.tr/Publications/CentralBankReview)



## AT A GLANCE...



### G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS MEETING

The G20 started in 1999 as an informal platform for establishing policy coordination between countries to achieve and encourage global economic and financial stability. In the aftermath of the 2008-2009 global economic crisis, it became the main platform for global economic cooperation. Member countries and their presidents host the G20 summits annually on a rotating basis. Turkey has taken over the G20 presidency for 2015. Accordingly, Turkey joined the G20 Troika, the three-member steering committee, in December 2013. During her three-year period in the Troika, Turkey will have the opportunity to directly steer the discussions on the global economy. The first round of the G20 meetings under the Turkish Presidency was held on 11-12 December 2014 and 15-16 December 2014 in Istanbul, while the second round took place as the Finance Ministers and Central Bank Governors Meeting proceeded by the Finance and Central Bank Deputies Meeting on 8-10 February 2015. In line with its priorities, Turkey will continue to work in collaboration with all related institutions, organizations and working groups for the rest of 2015. The resulting studies and reports will be presented to the G20 leaders who will meet on 15-16 November 2015 in Antalya.



### NEW CBRT WEBSITE

The CBRT website, an effective channel of communication, was restructured in terms of content and design and opened on 27 September 2014.

The new website was revised so as to bring the CBRT's price stability and financial stability objectives to the forefront by integrating an entirely new concept of design and content, without prejudice to the Bank's reputation and corporate identity. Accordingly, the Bank's website became more inclusive and clear-cut in terms of content, menu headings were classified according to the Bank's activities and a variety of content was included to enable visitors to reach information quickly and easily. The design of the new website reflects the trends of the day. Moreover, new features such as RSS and Interactive Charts as well as special-purpose features such as For Children (in Turkish only), Financial Education, Press and Social Media were introduced.

For the CBRT website, please visit:

[www.tcmb.gov.tr](http://www.tcmb.gov.tr)



### THE EXHIBITION "TRADITION, CULTURE AND MODERNITY: CONTEMPORARY ART FROM TURKEY"

The exhibition "Tradition, Culture and Modernity: Contemporary Art from Turkey", featuring a selection of works from the Art Collection of the CBRT, was on view from 3 December 2014 to 31 January 2015 in the Islamic Arts Museum in Kuala Lumpur, Malaysia. The opening ceremony of the exhibition took place on Tuesday, 2 December 2014, in the presence of Erdem Başçı, the Governor of the Central Bank of the Republic of Turkey; Başak Türkoğlu, the Turkish Ambassador to Kuala Lumpur; and Syed Mohamad Albukhary, the Director of the Islamic Arts Museum Malaysia. The ceremony was also attended by the guest of honor Tan Sri Dato' Sri Dr. Ng Yen Yen, Chairman of Tourism Malaysia.

## EDITORIAL BOARD

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