

Table of Contents

Overview	i
I. International Developments	1
II. Domestic Economic Outlook	15
III. Developments by Sectors	21
III.1. Banking Sector	21
III.2. Corporate Sector	47
III.3. Households	51
IV. Steps Taken Towards Financial Stability	67
IV.1. CBRT Implementations	67
IV.2. Arrangements Made by the BRSA	76
V. Special Topics	81
V.1. Factors Affecting Banks' Utilization of Reserve Option Mechanism	81
V.2. The Impact of Monetary Policy Shocks on Firm Credit	95
V.3. Net Foreign Exchange Position of Firms and Firm Performance	101
V.4. Firm Leverage and the Financial Crisis	107
V.5. Some Findings and An Assessment of Capital Adequacy and Profitability	112
V.6. "Too-Big-To-Fail" Financial Institutions	120
V.7. Over the Counter Derivatives Markets Reforms	134
V.8. A Closer Look at "Shadow Banking" Concept	144
V.9. New Period in Risk Culture	153
V.10. The Payment Systems Law and Financial Stability	158
List of Charts	161
List of Tables	165
Abbreviations	166