

Financial Stability Report

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TÜRKİYE CUMHURİYET
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

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This report, which is aimed at informing the public, is based mainly on September 2014 data. Nevertheless, the Report includes developments and evaluations up to its date of publication in Turkish. The full version of this text is available on the CBRT website. The CBRT cannot be held accountable for any decisions made based on the information and data provided therein.

Foreword

Since the previous issue of the Financial Stability Report in May 2014, the Turkish financial system has remained resilient to internal and external shocks and there has been no significant change in its risk profile. Turkey's financial system has stood strong, with the contribution of the macro prudential measures introduced by relevant authorities in recent years that channel economic units, especially, to prudent borrowing. However, the volatility in global capital flows persists in the current conjuncture. The weak recovery trend in global economic activity keeps the possibility of a further delay in the normalization of monetary policies on the horizon. Therefore, in view of these developments, it is important to use measures that encourage prudent borrowing and support financial stability in the upcoming period, when needed.

The Central Bank of the Republic of Turkey presents the 19th issue of the Financial Stability Report which can provide a significant contribution to the evaluation of Turkey's financial system. I hope that the Report, offering a detailed discussion of various domestic and international developments related to financial stability, will be of benefit to all readers.

Erdem BAŐÇI
Governor

