



Capital Markets Board
Executive Vice Chairman
Tevfik KINIK

Excellences',

Distinguished members of the Child and Youth Finance Movement,
Ladies and gentlemen,

I would like to express my pleasure to be here and thank the National Bank of Republic of Macedonia for hosting this event. Today and tomorrow, we will have intense discussions on the importance of financial education. So I would like to contribute by giving information about the lessons from Turkish experience and progress we had in financial education and financial inclusion.

As you all may know, Turkey had a very strong growth in the last decade, which is 5.2% annually. We are now the 17th largest economy of the world. However in this period we experienced a remarkable fall in the level of domestic savings. While the ratio of national savings to GDP was more than 20% in the beginning of 2000s, now it's roughly 13%. This decline in savings ratio is basically the result of decline in household savings. For this reason, increasing the level of savings is one of the policy priorities for the future and financial education is determined as one of the tools in this regard.

One of the main targets of financial education is to improve access of individuals to financial services. In terms of ownership of debit and credit cards, which is a fundamental indicator of financial inclusion, we observe that number of debit cards in Turkey is above 102 million and credit cards is slightly above 57 million. These numbers, when proportioned to population of 77 million, are well above the world averages. Another indicator, number of ATMs has reached to a number of 43.000 and the number of ATMs per 100.000 people to 55, for which the world average is 31.

Similarly, we observe improvements in the indicators with respect to the capital markets. Currently we do have 4.3 million pension fund holders, 1.1. million equity investors and 3 million mutual fund investors.

All these figures indicate that Turkey has above average indicators in terms of financial inclusion. On the other hand, we have long way to go in raising the level of financial literacy. A World Bank study conducted in 2012 reveals that more than half of the population do not save for the future and level of indebtedness is very high comparing to our peer countries.

It's clear that we cannot sustain our growth and ensure financial stability if we cannot convince people to save more and make smart investment decisions depending on sound information.

Having this in mind, we, at the CMB, have attached great importance to financial education issues since 2010 and initiated the Investor Education Project with the objective of raising the level of information and awareness of all individuals on saving and investment. Within the framework of this project we launched a web site called "laminvesting.gov.tr", used social media tools such as facebook and twitter extensively to promote our activities and organized information sessions all around the country especially targeting women and school-aged children.

These efforts was not limited with the CMB's project. After an extensive consultation process with all the stakeholders, the government has adopted Turkey's National Strategy on Financial Inclusion, Financial Education and Protection of Financial Consumers recently in June 2014. CMB is the authority who coordinates the financial education action plan within the Strategy. The strategy entails action plans which covers the next 4 years. All relevant public institutions, finance industry, profit and non-profit organizations, media and universities will take part in the implementation stage.

The goal of the National Strategy is to:

- help citizens to improve their understanding of financial concepts and products and manage their money
- provide information and tools to help citizens make informed decisions about their finances and,
- Improve investment culture.

Considering the fact that more than 30% of our population is less than 17 years old, child and youth as a target group is put in the forefront in the National Strategy. The planned activities include enhancing basic financial subjects in kindergartens, primary and secondary education curricula, informing and training teachers on financial subjects, conducting simulation games at every level of the schools. To this end, an MoU was signed between the CMB and the Ministry of Education.

During our consultation with the stakeholders in the National Strategy, we observe that they are highly motivated on financial education initiatives especially targeting youth and children. And this really feels us comfortable and confident in our efforts to convince relevant parties on the value of financial education in achieving sustainable economic development.

Finally, I would like to emphasize the importance of non-profit organizations to implement the Strategy. We recognize that a top-down approach imposed by the government would not be very successful. Financial education actions plans should be inclusive and the government should work with all other stakeholders, especially non-profit organizations. CYFI is a good example of these organizations. As the leading movement dedicated to enhancing the financial capabilities of children and youth, we learned a lot from CYFI. I would like to remind that the second annual summit of the organization which was held in Istanbul in May 2013 was a great success in raising awareness in the importance of financial education. I am sure that this event will also contribute to Macedonia's efforts in this field.

Hereby, I would like to reiterate that as the coordinator of the National Strategy on Financial Education, we welcome any national or international cooperation opportunities. In this respect, I would like to thank to Child and Youth Finance Movement which allows us to share and learn experiences and provides opportunities to collaborate. I wish you all a fruitful meeting and thank again the Macedonian government for putting all of us together.

Thank you.