

## CONTENTS

• <b>Foreword by the Governor</b>	<b>i</b>
• <b>Speeches Given During the Conference</b>	<b>1</b>
<b><u>Day 1-May 16, 2005</u></b>	
• Welcome Address by Süreyya SERDENGECİ <i>Governor-Central Bank of the Republic of Turkey</i>	<b>2</b>
• Opening Address by Ali BABACAN <i>Minister of State</i>	<b>14</b>
• Jaime CARUANA <i>Governor-Bank of Spain</i> <i>Chairman-Basel Committee on Banking Supervision</i>	<b>22</b>
• Josef TOŠOVSKÝ <i>Chairman-Financial Stability Institute</i>	<b>34</b>
<b><i>Session I: Perspectives on Financial Stability</i></b>	<b>39</b>
• Dr. Lars HEIKENSTEN <i>Governor-Bank of Sweden</i>	<b>39</b>
• Dr. Nicholas GARGANAS <i>Governor-Bank of Greece</i>	<b>48</b>
• Dr. Mario I. BLEJER <i>Director-Center for Central Banking Studies,</i> <i>Former Governor-Central Bank of the Republic of Argentina</i>	<b>55</b>
<b><i>Session II: Overview of Basel II and its Reflections on Financial Stability</i></b>	<b>62</b>
• William L. RUTLEDGE <i>Executive Vice President-Federal Reserve Bank of NY</i>	<b>62</b>
• Prof. Charles GOODHART <i>Professor -London School of Economics</i>	<b>72</b>
• Paper by Dr. Gerard CAPRIO Jr. <i>Director, Financial Sector Operations and Policy Department</i> <i>World Bank</i>	<b>78</b>
• Dr. Iris JANDRASITS <i>Seconded National Expert,</i> <i>Banking and Financial Conglomerates-EU Commission</i>	<b>79</b>

**Day 2-May 17, 2005**

<b>Session I: Implications of Basel II</b>	<b>82</b>
• Dr. Erdem BAŞÇI <i>Vice Governor- Central Bank of the Republic of Turkey</i>	<b>82</b>
• Dr. Susan SCHMIDT-BIES <i>Member of the Board of Governors-FED</i>	<b>88</b>
• İbrahim ÇANAKÇI <i>Undersecretary-Turkish Treasury</i>	<b>94</b>
• Ahmet ŞİRİN <i>Vice Chairman-Banking Regulation and Supervision Agency</i>	<b>100</b>
• Dr. Enrique MARSHALL <i>Senior Superintendent-Superintendencia de Bancos e Instituciones Financieras, Chile</i>	<b>108</b>
• Ersin ÖZİNCE <i>Chairman-Banks Association of Turkey</i>	<b>114</b>
<b>Session II: Implications of Basel II (continued)</b>	<b>120</b>
• Paper by Prof. Richard HERRING <i>Jacob Safra Professor of International Banking-The Wharton School, University of Pennsylvania</i>	<b>121</b>
• Frederik C. MUSCH <i>Global Chairman-Price Waterhouse Coopers</i>	<b>122</b>
• Dr. Aslı DEMİRGÜÇ-KUNT <i>Finance Research Manager, Development Economics, Adviser, Financial Sector Operations and Policy-World Bank</i>	<b>129</b>

**Day 3-May 18, 2005**

<b>Session I: Sharing Experiences on Assessing Financial Stability</b>	<b>136</b>
• Sir Andrew LARGE <i>Deputy Governor-Bank of England</i>	<b>136</b>
• David MARSTON <i>Assistant Director, Monetary and Financial Systems Department-IMF</i>	<b>148</b>

• Zsigmond JARAI <i>Governor-Bank of Hungary</i>	<b>154</b>
• Grzegorz BIELICKI <i>Director, Banking System Off-Site Analysis Division, General Inspectorate of Banking Supervision-Bank of Poland</i>	<b>160</b>
• İ. Hakkı ARSLAN <i>General Manager, Banking and Financial Institutions Department Central Bank of the Republic of Turkey</i>	<b>171</b>
• Dr. Peter PRAET <i>Executive Director-Bank of Belgium</i>	<b>179</b>
• <b>Annex</b>	<b>189</b>
• Paper by Prof. Richard Herring <i>Jacob Safra Professor of International Banking The Wharton School- University of Pennsylvania</i>	<b>191</b>
• Paper by Dr. Gerard CAPRIO, Jr. (co-written by James R. Barth and Ross Levin) <i>Director, Financial Sector Operations and Policy Department World Bank</i>	<b>221</b>