

ABSTRACT

THE IMPORTANCE OF THE BANKING SECTOR IN TURKEY IN FINANCIAL MARKETS AND ITS EFFECT ON GROWTH

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Financial market's growth and development are studied in economic growth. The development of financial markets increased with globalization activities after 1980 in Turkey. This development increased after 1990s and 2000s. Especially in developing countries banking sector constitute a large part of financial markets. The purpose of this thesis is to investigate whether there is a meaningful relationship between growth in financial markets and banking sector and economic growth in Turkey. For this purpose the relationship between M2 money supply and GDP data were analyzed. In the proposed research ,annual data are used between the years 1961-2014.

In the first part, the definition,the history, the line, the process and growth of financial markets and financial crisis have been focused. In the second part, the definition, the history, growth of banking sector and banking sector in financial markets in Turkey is analyzed. In the final part, the relationship in the development data of financial markets and banking sector and economic growth is analyzed. It is found that there is significant relationship between growth of financial markets and economic growth.

KEYWORDS: Financial Markets, Banking Sector, M2 Money Supply, Economic Growth.