

BRSA Weekly

Week-ending December 23, 2011

Okan Uzun

Analyst

okan.uzun@sekeryatirim.com

Happy New Year! Total loans increased to TRY 687.1bn (TRY 484.1bn in TRY loans and TRY 202.9bn in FX loans) indicating 0.1% WoW growth. Total loan growth was 28.3% YtD and 31.3% YoY. LDR reached 94.4%, down 0.3% WoW. With an increase of 1.0% WoW, total FX loans were the main factor of the growth in total loans. As the week-ending Dec. 23rd the US dollar gained 0.66% WoW against the lira. Please note that FX adjusted total loans and FX loan growth came in at 21.6% YtD and 14.2% YtD.

When we look at loans at the breakdown we see significant YtD growth in corporate loans (37.1% YtD). However, YtD growth in long-term loans such as mortgage loans showed weaker performance than other segments. Consumer loans grew by 0.3% WoW as of the week-ending Dec. 23rd. However consumer loans increased 29.7% YtD which is more than the YtD growth of total loans. In the detailed data, private and public banks are the main drivers of consumer loan growth with 33.2% and 33.6% YtD growth.

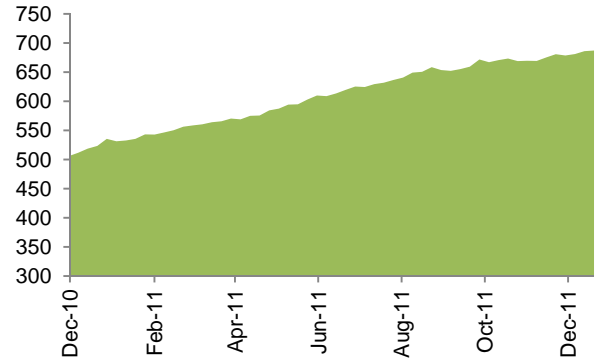
With respect to their ownership base, private banks are the main driver in loan growth with 34.4% YtD. Loan growth in foreign owned banks was 12.8% YtD and continued to stay behind the sector (28.3% YtD).

In terms of funding, deposits grew 0.4% WoW. Please recall that as of the week-ending Dec.16th deposits showed the largest jump since September. In terms of YtD growth, it broke through the 11-12% range and hit 13% YtD. When we look at the details, a significant increase was observed in participation accounts (1.3% WoW).

Banks are avoiding funding themselves with repo financing after the actions taken by the CBRT. Repo financing decreased 2% WoW. However, the sharp decrease on a weekly basis, YoY and YtD repo financing growth remain strong thanks to the injection through O/Ns from the CBRT in the first half of the year. Banks with higher TL funding needs and more dependent on repo financing may be hurt the most due to the tightening bias of the CBRT allowing banks to borrow from the upper band market rates. We may observe higher deposit costs along with continuing increases in lending rates in different maturities.

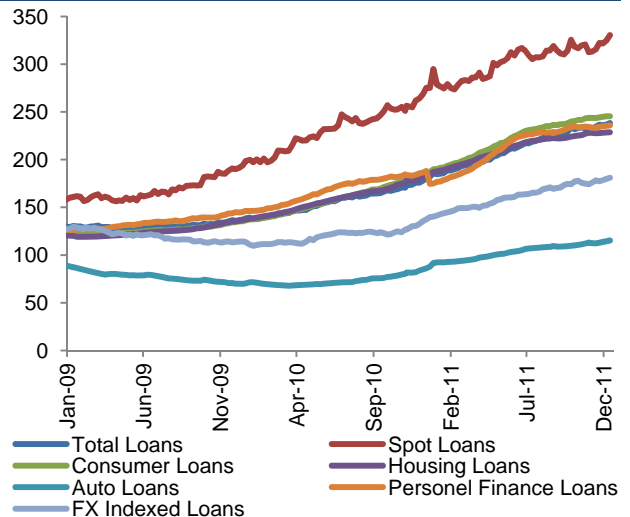
NPLs decreased 0.2% WoW. We observed 6.1% YtD healing in NPLs.

Graph 1: Loan growth (TRY, bn)



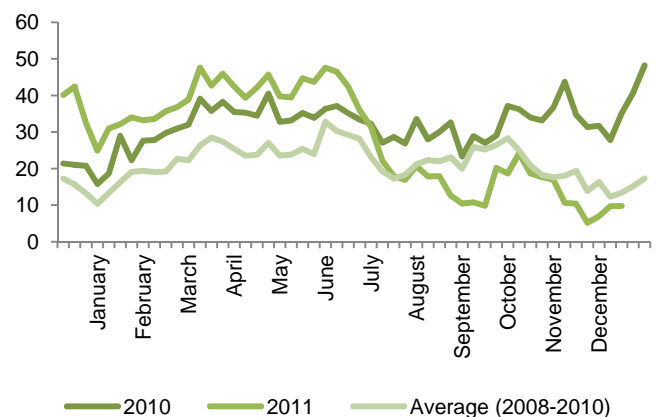
Source: BRSA

Graph 2: Loan growth index (Jan 2008 = 100)



Source: BRSA

Graph 3: Annualized loan growth



Source: BRSA

BRSA DATA BY SEGMENT

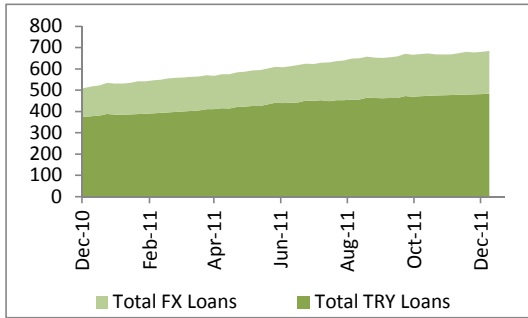
	12/23/2011	12/16/2011	11/18/2011	12/31/2010	12/24/2010	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	687.04	686.05	675.25	535.34	523.28	0.1%	1.7%	28.3%	31.3%
Total TRY Loans	484.09	485.21	479.70	389.33	380.87	-0.2%	0.9%	24.3%	27.1%
Total FX Loans	202.95	200.84	195.55	146.01	142.41	1.0%	3.8%	39.0%	42.5%
Loans by Segment									
Loans excl. FI	629.98	629.17	619.02	483.72	472.51	0.1%	1.8%	30.2%	33.3%
Consumer Loans	167.38	166.82	165.58	129.04	127.14	0.3%	1.1%	29.7%	31.7%
Mortgage Loans	74.35	74.30	73.98	60.80	59.77	0.1%	0.5%	22.3%	24.4%
Auto Loans	7.19	7.12	6.94	5.67	5.43	0.9%	3.5%	26.8%	32.4%
FX Index Loans	32.91	32.71	31.99	25.42	25.00	0.6%	2.9%	29.5%	31.7%
GPL	61.91	61.76	61.26	45.84	49.38	0.2%	1.1%	35.0%	25.4%
Corporate Loans	147.36	146.95	144.42	107.51	103.54	0.3%	2.0%	37.1%	42.3%
Deposits (TRY bn.)									
Total Deposits	728.11	724.94	718.16	644.58	631.48	0.4%	1.4%	13.0%	15.3%
Total TRY Deposits	468.47	468.12	466.88	447.55	436.47	0.1%	0.3%	4.7%	7.3%
Total FX Deposits	259.65	256.82	251.29	197.03	195.01	1.1%	3.3%	31.8%	33.1%
Deposits by Segment									
Saving Deposits	390.07	389.59	386.67	335.59	332.93	0.1%	0.9%	16.2%	17.2%
Demand deposits	48.43	49.54	49.12	36.93	36.01	-2.2%	-1.4%	31.1%	34.5%
Time Deposits	341.65	340.05	337.55	298.66	296.92	0.5%	1.2%	14.4%	15.1%
Corporate Deposits	200.80	201.20	194.93	187.02	186.16	-0.2%	3.0%	7.4%	7.9%
Other Deposits	63.23	62.43	63.87	61.01	57.06	1.3%	-1.0%	3.6%	10.8%
Participation Accounts	39.20	38.68	38.93	33.70	32.98	1.3%	0.7%	16.3%	18.9%
Repo Transactions	101.98	104.06	105.53	57.50	56.26	-2.0%	-3.4%	77.4%	81.3%
NPLs (TRY bn.)									
Total Gross NPL	18.58	18.61	18.78	19.78	20.16	-0.2%	-1.1%	-6.1%	-7.8%
Total Specific provisioning	15.12	15.17	15.43	16.78	17.18	-0.3%	-2.0%	-9.9%	-12.0%
Total NPL Consumer Loans	3.18	3.18	3.24	3.64	3.53	-0.1%	-1.7%	-12.5%	-9.8%
NPL Corporate Loans	2.62	2.61	2.59	2.97	3.04	0.3%	1.2%	-11.7%	-13.8%
Total NPL Consumer Loans	3.46	3.48	3.73	3.79	3.85	-0.6%	-7.2%	-8.7%	-10.1%
Total Corp. Credit Cards	0.07	0.07	0.07	0.07	0.07	-1.4%	0.0%	-1.4%	3.0%
NPL Ratios									
NPL Ratio	2.7%	2.7%	2.8%	3.7%	3.85%	-0.3%	-2.8%	-26.8%	-29.8%
NPL Ratio (Consumer Loans)	1.9%	1.9%	2.0%	2.8%	2.77%	-0.4%	-2.7%	-32.6%	-31.5%
Securities Portfolio (TRY bn.)									
Total Securities	287.06	287.52	288.91	287.90	287.81	-0.2%	-0.6%	-0.3%	-0.3%
Government Securities	128.92	128.21	129.93	193.45	193.10	0.6%	-0.8%	-33.4%	-33.2%
Held for Trading	3.44	3.78	4.12	5.55	5.81	-9.0%	-16.7%	-38.1%	-40.9%
Available for Sale	95.11	95.64	99.51	129.35	130.57	-0.6%	-4.4%	-26.5%	-27.2%
Held to Maturity	30.38	28.79	26.30	58.55	56.72	5.5%	15.5%	-48.1%	-46.4%
Repo Transactions	106.18	108.40	109.50	55.68	55.30	-2.1%	-3.0%	90.7%	92.0%
Off Balance Sheet									
Off Balance Sheet Liabilities	1335.70	1340.16	1284.80	1007.12	1003.03	-0.3%	4.0%	32.6%	33.2%
Non-Cash Loans	216.90	213.86	207.23	163.65	162.93	1.4%	4.7%	32.5%	33.1%
Commitments	1118.81	1126.30	1077.57	843.46	840.10	-0.7%	3.8%	32.6%	33.2%
Derivatives	610.87	598.78	601.75	383.19	393.78	2.0%	1.5%	59.4%	55.1%
Other Commitments	507.94	527.52	475.83	460.28	446.32	-3.7%	6.7%	10.4%	13.8%
Key Ratios									
Loan to Deposit Ratio	94.4%	94.6%	94.0%	83.1%	82.9%	-0.3%	0.4%	13.9%	13.5%
Loan to Total Assets	2.39	2.39	2.34	1.86	1.82	0.3%	2.4%	28.3%	28.6%

BRSA DATA BY BANKING GROUP

	12/23/2011	12/16/2011	11/18/2011	12/31/2010	12/24/2010	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	687.04	686.05	675.25	535.34	523.28	0.1%	1.7%	28.3%	31.3%
Total Loans Public Banks	181.34	181.54	179.09	144.92	141.95	-0.1%	1.3%	25.1%	27.8%
Total Loans Private Banks	348.33	347.32	341.13	259.12	250.70	0.3%	2.1%	34.4%	38.9%
Total Loans Foreign Banks	91.22	91.63	91.14	80.86	79.77	-0.5%	0.1%	12.8%	14.3%
Total Loans Participation Banks	39.52	39.45	39.22	31.64	32.32	0.2%	0.8%	24.9%	22.3%
Spot Loans (TRY bn.)									
Spot Loans	79.29	79.36	75.79	70.82	66.09	-0.1%	4.6%	12.0%	20.0%
Spot Loans Public Banks	4.27	4.46	4.90	9.81	9.75	-4.2%	-12.8%	-56.4%	-56.2%
Spot Loans Private Banks	62.82	62.67	59.06	50.30	45.52	0.2%	6.4%	24.9%	38.0%
Spot Loans Foreign Banks	3.94	4.04	3.80	3.58	3.71	-2.4%	3.7%	10.2%	6.4%
Consumer Loans (TRY bn.)									
Consumer Loans	167.38	166.82	165.58	129.04	127.14	0.3%	1.1%	29.7%	31.7%
Consumer Loans Public Banks	61.99	61.94	61.67	46.39	45.77	0.1%	0.5%	33.6%	35.4%
Consumer Loans Private Banks	73.16	72.75	71.91	54.91	53.94	0.6%	1.7%	33.2%	35.6%
Consumer Loans Foreign Banks	26.05	25.98	25.96	23.68	23.45	0.3%	0.3%	10.0%	11.1%
Mortgage Loans (TRY bn.)									
Mortgage Loans	74.35	74.30	73.98	60.80	59.77	0.1%	0.5%	22.3%	24.4%
Mortgage Loans Public Banks	22.06	22.08	22.00	16.96	16.64	-0.1%	0.3%	30.1%	32.6%
Mortgage Loans Private Banks	34.88	34.81	34.61	27.22	26.68	0.2%	0.8%	28.1%	30.8%
Mortgage Loans Foreign Banks	12.46	12.48	12.55	13.26	13.13	-0.2%	-0.7%	-6.0%	-5.1%
Deposits (TRY bn.)									
Total Deposits Public Banks	240.23	241.90	238.48	226.86	220.35	-0.7%	0.7%	5.9%	9.0%
Total Deposits Private Banks	359.42	356.10	351.44	306.85	303.68	0.9%	2.3%	17.1%	18.4%
Total Deposits Foreign Banks	89.26	88.26	89.31	77.18	74.48	1.1%	-0.1%	15.6%	19.8%
Saving Deposits (TRY bn.)									
Saving Deposits Public Banks	129.19	130.32	129.11	117.14	116.17	-0.9%	0.1%	10.3%	11.2%
Saving Deposits Private Banks	207.69	206.34	204.83	173.82	172.74	0.7%	1.4%	19.5%	20.2%
Saving Deposits Foreign Banks	53.19	52.93	52.73	44.63	44.03	0.5%	0.9%	19.2%	20.8%
Commercial Deposits (TRY bn.)									
Commercial Deposits Public Banks	50.18	53.77	51.05	58.53	56.58	-6.7%	-1.7%	-14.3%	-11.3%
Commercial Deposits Private Banks	123.59	120.53	116.49	103.25	104.77	2.5%	6.1%	19.7%	18.0%
Commercial Deposits Foreign Banks	27.03	26.89	27.38	25.24	24.81	0.5%	-1.3%	7.1%	9.0%
Participation Accounts (TRY bn.)									
Participation Banks	29.64	29.37	29.62	27.21	26.89	0.9%	0.1%	8.9%	10.2%
Repo Financing (TRY bn.)									
Repo Financing Public Banks	36.34	37.60	37.10	16.25	15.82	-3.4%	-2.0%	123.7%	129.6%
Repo Financing Private Banks	52.99	53.38	54.32	37.71	35.51	-0.7%	-2.4%	40.5%	49.3%
Repo Financing Foreign Banks	9.78	10.37	12.01	2.34	3.78	-5.6%	-18.5%	319.0%	159.0%
NPLs (TRY bn.)									
Sector	18.58	18.61	18.78	19.78	20.16	-0.2%	-1.1%	-6.1%	-7.8%
Public Banks	4.65	4.66	4.63	4.93	4.90	-0.3%	0.5%	-5.8%	-5.1%
Private Banks	8.35	8.35	8.70	8.66	9.02	0.0%	-4.0%	-3.5%	-7.4%
Foreign Banks	4.08	4.05	3.94	4.76	4.78	0.9%	3.7%	-14.2%	-14.6%
Participation Banks	1.14	1.20	1.17	1.08	1.12	-4.7%	-2.3%	5.3%	2.0%
NPL Ratios									
NPL Ratio Public Banks	3%	3%	3%	3%	3%	-0.1%	-0.8%	-24.7%	-25.7%
NPL Ratio Private Banks	2%	2%	3%	3%	4%	-0.3%	-6.0%	-28.2%	-33.4%
NPL Ratio Foreign Banks	4%	4%	4%	6%	6%	1.4%	3.6%	-24.0%	-25.3%
NPL Ratio Participation Banks	3%	3%	3%	3%	3%	-4.8%	-3.1%	-15.7%	-16.6%
Total Securities Portfolio (TRY bn.)									
Public Banks	110.78	110.74	110.60	110.16	109.91	0.0%	0.2%	0.6%	0.8%
Private Banks	145.60	145.79	146.12	148.08	147.86	-0.1%	-0.4%	-1.7%	-1.5%
Foreign Banks	23.76	24.11	25.57	23.87	24.28	-1.5%	-7.1%	-0.5%	-2.1%

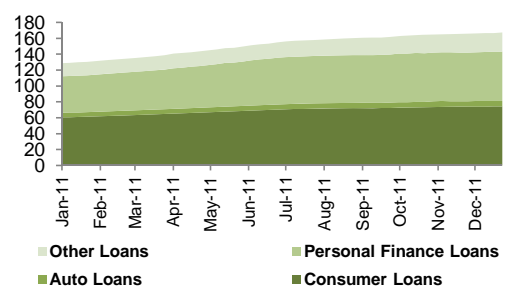
SECTOR TRENDS

Table 4: Currency Breakdown of loans (TRY bn.)



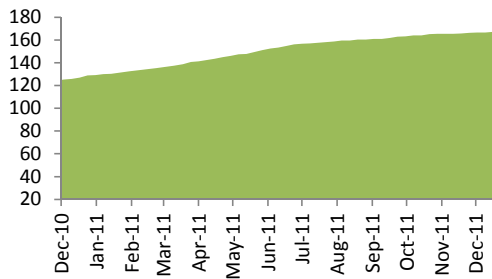
Source: BRSA

Table 5: Loan Breakdown by Sector (TRY bn.)



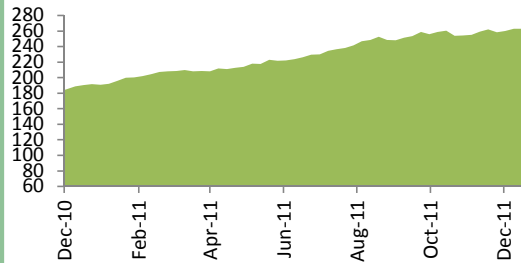
Source: BRSA

Table 6: Consumer Loans (TRY bn.)



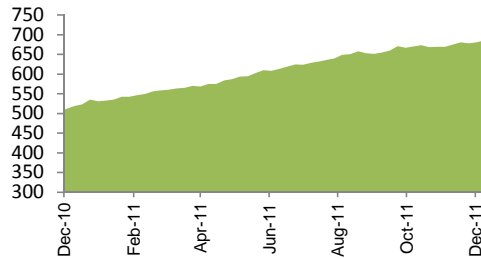
Source: BRSA

Table 7: Other Loans (TRY bn.)



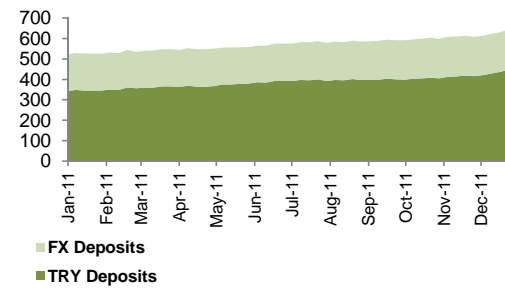
Source: BRSA

Table 8: Total Deposits (bn)



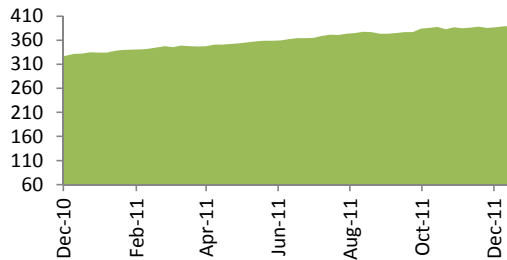
Source: BRSA

Table 9: Currency Breakdown of Deposits (TRY bn.)



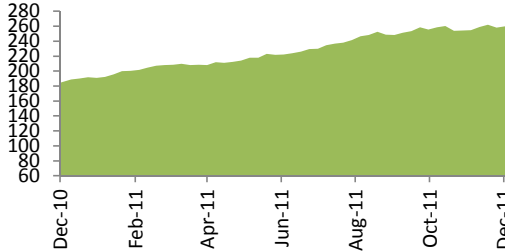
Source: BRSA

Table 10: Saving Deposits



Source: BRSA

Table 11: Time Deposits



Source: BRSA

**DISCLAIMER**

I, Okan Uzun, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by Şeker Yatırım Menkul Değerler A.Ş. (Şeker Securities, Inc.). The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Securities considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Securities may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Securities. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2011 Şeker Securities, Inc.