

BRSA Weekly

Week-ending 13 January

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The decrease in loans continued in the second week of the new year. As of the week of Jan.13th, total loans decreased to TRY 687.05bn (TRY 490.4bn in TRY loans and TRY 196.6bn in FX loans) indicating -0.1% WoW growth. LDR eased to 94.9%, down by 0.9% WoW. With a decrease of 1.3% WoW, FX loans were the main factor for the retreat in total loans. The appreciation in the lira against the dollar was behind the adjusted nominal contraction in FX adjusted loans.

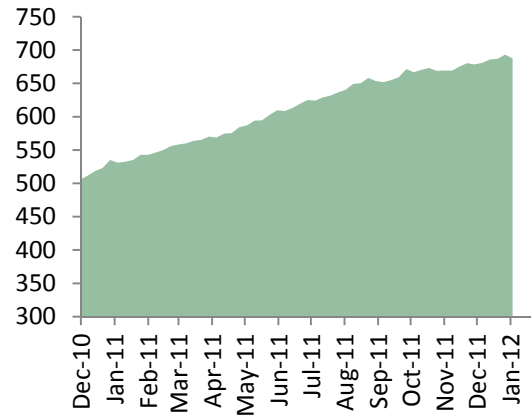
When we look at the breakdown of loans, with 2.9% MoM, corporate loans were the main driver in loan growth. With respect to their ownership structures, total loan growth in foreign banks was cut by 0.7% WoW. MoM loan growth decreased 0.1% (sector MoM growth was 0.9%). However, foreign owned banks expanded their securities portfolio 9.6% WoW and 3.6% MoM. As we understand from weekly data, foreign owned banks might be following a new strategy: accumulate bonds, retreat loans. This might indicate that foreign banks are changing their balance sheet composition in a different direction with regard to their private and public peers. On the other hand participation banks were stars of the new year with 2.3% MoM loan growth.

In terms of funding, deposits increased 1.7% WoW. Repo financing boomed as of week-ending January 13th with 5.2% WoW. Also, in terms of liabilities in the balance sheet we see that foreign owned banks preferred to increase their repo financing, public and private banks reduced their repo-financing items.

Repo financing may be more undesirable in 2012 after the CBRT publicized its 'exceptional/normal' day concept. For this reason, the CBRT's auctions have become much more crucial. The Bank started funding banks with the weekly repo at 5-12%. When we look at total funding costs we see that they are getting closer to 8% for the banks. We may observe higher deposit costs along with continuing increases in lending rates in various maturities.

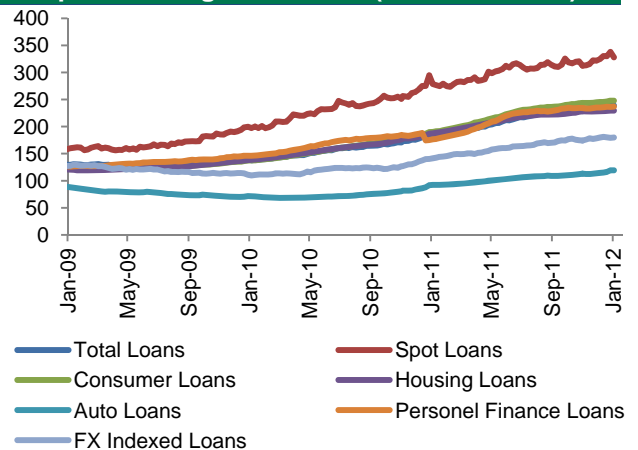
Two week data shows that NPLs will be food for thought. NPLs increased 0.7% WoW. We might observe an increase in NPLs due to deterioration in credit quality. If any deterioration happens participation banks will be hurt more than other bank groups. Participation banks were the worst performers of the week with a 1.5% NPL increase.

Graph 1: Loan growth (TRY, bn)



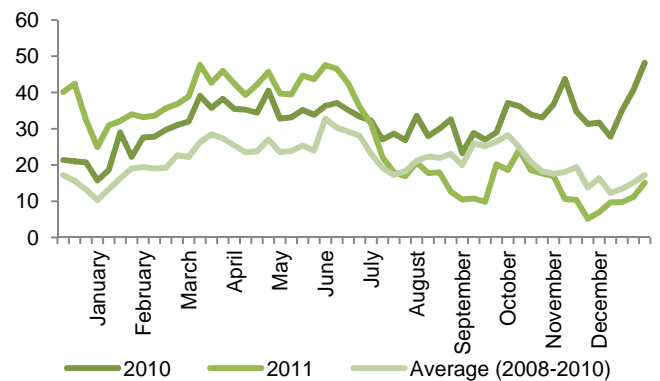
Source: BRSA

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



Source: BRSA

Graph 3: Annualized loan growth



Source: BRSA

BRSA DATA BY SEGMENT

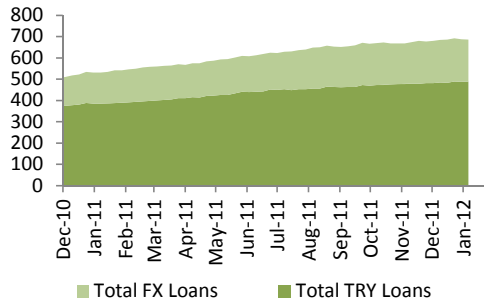
	1/13/2012	1/6/2012	12/9/2011	12/30/2011	1/14/2011	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	687.05	687.74	681.09	693.24	532.65	-0.1%	0.9%	-0.9%	29.0%
Total TRY Loans	490.40	488.59	482.32	490.49	386.28	0.4%	1.7%	0.0%	27.0%
Total FX Loans	196.66	199.16	198.77	202.75	146.37	-1.3%	-1.1%	-3.0%	34.4%
Loans by Segment									
Loans excl. FI	629.33	630.30	624.68	635.47	481.00	-0.2%	0.7%	-1.0%	30.8%
Consumer Loans	168.80	168.44	166.85	168.43	130.09	0.2%	1.2%	0.2%	29.8%
Mortgage Loans	74.66	74.63	74.24	74.59	61.23	0.1%	0.6%	0.1%	21.9%
Auto Loans	7.35	7.37	7.07	7.37	5.71	-0.3%	3.9%	-0.3%	28.7%
FX Index Loans	32.72	32.62	32.45	32.74	25.72	0.3%	0.8%	0.0%	27.2%
GPL	62.17	62.00	61.70	62.09	46.38	0.3%	0.8%	0.1%	34.1%
Corporate Loans	150.53	150.21	146.31	149.74	108.50	0.2%	2.9%	0.5%	38.7%
Deposits (TRY bn.)									
Total Deposits	723.91	718.09	712.66	731.12	636.72	0.8%	1.6%	-1.0%	13.7%
Total TRY Deposits	470.68	462.12	461.00	473.24	446.52	1.9%	2.1%	-0.5%	5.4%
Total FX Deposits	253.23	255.97	251.67	257.88	190.20	-1.1%	0.6%	-1.8%	33.1%
Deposits by Segment									
Saving Deposits	387.38	389.61	387.12	390.85	334.98	-0.6%	0.1%	-0.9%	15.6%
Demand deposits	46.80	48.10	47.96	48.61	35.84	-2.7%	-2.4%	-3.7%	30.6%
Time Deposits	340.58	341.51	339.16	342.24	299.14	-0.3%	0.4%	-0.5%	13.9%
Corporate Deposits	198.39	196.24	194.50	201.11	186.26	1.1%	2.0%	-1.4%	6.5%
Other Deposits	66.77	60.48	60.18	64.37	60.76	10.4%	10.9%	3.7%	9.9%
Participation Accounts	38.92	39.18	38.48	39.67	33.56	-0.7%	1.1%	-1.9%	15.9%
Repo Transactions	104.67	99.49	106.29	97.00	44.91	5.2%	-1.5%	7.9%	133.0%
NPLs (TRY bn.)									
Total Gross NPL	19.02	18.89	18.57	18.76	19.75	0.7%	2.4%	1.4%	-3.7%
Total Specific provisioning	15.44	15.34	15.19	15.12	16.77	0.7%	1.6%	2.1%	-7.9%
Total NPL Consumer Loans	3.23	3.22	3.19	3.20	3.52	0.3%	1.3%	1.0%	-8.2%
NPL Corporate Loans	2.62	2.93	2.63	2.94	2.90	-10.6%	-0.4%	-10.7%	-9.6%
Total NPL Consumer Loans	3.49	3.48	3.50	3.46	3.80	0.4%	-0.4%	0.9%	-8.0%
Total Corp. Credit Cards	0.07	0.07	0.07	0.07	0.06	1.5%	0.0%	1.5%	7.8%
NPL Ratios									
NPL Ratio	2.8%	2.7%	2.7%	2.7%	3.71%	0.8%	1.5%	2.3%	-25.3%
NPL Ratio (Consumer Loans)	1.9%	1.9%	1.9%	1.9%	2.70%	0.1%	0.1%	0.8%	-29.2%
Securities Portfolio (TRY bn.)									
Total Securities	284.66	283.68	287.13	285.11	283.59	0.3%	-0.9%	-0.2%	0.4%
Government Securities	126.41	124.75	125.33	129.68	201.18	1.3%	0.9%	-2.5%	-37.2%
Held for Trading	4.22	4.76	4.20	5.02	7.38	-11.4%	0.5%	-15.9%	-42.8%
Available for Sale	93.27	91.44	94.85	90.46	138.18	2.0%	-1.7%	3.1%	-32.5%
Held to Maturity	28.92	28.54	26.29	34.19	55.62	1.3%	10.0%	-15.4%	-48.0%
Repo Transactions	109.18	103.90	111.00	100.87	44.71	5.1%	-1.6%	8.2%	144.2%
Off Balance Sheet									
Off Balance Sheet Liabilities	1480.04	1467.52	1317.75	1379.73	1075.25	0.9%	12.3%	7.3%	37.6%
Non-Cash Loans	214.72	216.11	211.27	218.72	162.27	-0.6%	1.6%	-1.8%	32.3%
Commitments	1265.32	1251.41	1106.48	1161.01	912.98	1.1%	14.4%	9.0%	38.6%
Derivatives	588.60	587.66	589.57	577.73	415.36	0.2%	-0.2%	1.9%	41.7%
Other Commitments	676.73	663.75	516.90	583.28	497.62	2.0%	30.9%	16.0%	36.0%
Key Ratios									
Loan to Deposit Ratio	94.9%	95.8%	95.6%	94.8%	83.7%	-0.9%	-0.7%	1.0%	14.2%

BRSA DATA BY BANKING GROUP

	1/13/2012	1/6/2012	12/9/2011	12/30/2011	1/14/2011	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	687.05	687.74	681.09	693.24	532.65	-0.1%	0.9%	-0.9%	29.0%
Total Loans Public Banks	181.89	181.79	181.16	182.21	143.74	0.1%	0.4%	-0.2%	26.5%
Total Loans Private Banks	346.08	346.64	343.29	352.89	255.14	-0.2%	0.8%	-1.9%	35.6%
Total Loans Foreign Banks	91.53	92.13	91.58	91.68	81.80	-0.7%	-0.1%	-0.2%	11.9%
Total Loans Participation Banks	40.28	39.89	39.36	39.31	33.16	1.0%	2.3%	2.4%	21.5%
Spot Loans (TRY bn.)									
Spot Loans	78.40	78.79	78.01	81.20	66.44	-0.5%	0.5%	-3.5%	18.0%
Spot Loans Public Banks	4.15	4.28	4.43	4.09	9.01	-3.1%	-6.4%	1.5%	-53.9%
Spot Loans Private Banks	61.43	61.66	61.40	64.73	46.11	-0.4%	0.1%	-5.1%	33.2%
Spot Loans Foreign Banks	4.21	4.20	4.01	3.95	4.16	0.3%	5.0%	6.4%	1.2%
Consumer Loans (TRY bn.)									
Consumer Loans	168.80	168.44	166.85	168.43	130.09	0.2%	1.2%	0.2%	29.8%
Consumer Loans Public Banks	62.39	62.14	62.12	62.16	46.87	0.4%	0.4%	0.4%	33.1%
Consumer Loans Private Banks	73.85	73.83	72.65	73.83	55.28	0.0%	1.7%	0.0%	33.6%
Consumer Loans Foreign Banks	26.23	26.17	25.96	26.18	23.85	0.2%	1.1%	0.2%	10.0%
Mortgage Loans (TRY bn.)									
Mortgage Loans	74.66	74.63	74.24	74.59	61.23	0.1%	0.6%	0.1%	21.9%
Mortgage Loans Public Banks	22.05	22.05	22.10	22.08	17.00	0.0%	-0.2%	-0.1%	29.7%
Mortgage Loans Private Banks	35.09	35.09	34.75	35.05	27.48	0.0%	1.0%	0.1%	27.7%
Mortgage Loans Foreign Banks	12.46	12.46	12.50	12.47	13.37	0.0%	-0.3%	0.0%	-6.8%
Deposits (TRY bn.)									
Total Deposits Public Banks	237.52	233.44	238.43	239.17	221.77	1.7%	-0.4%	-0.7%	7.1%
Total Deposits Private Banks	357.75	356.13	348.72	363.93	304.97	0.5%	2.6%	-1.7%	17.3%
Total Deposits Foreign Banks	89.73	89.34	87.04	88.35	76.42	0.4%	3.1%	1.6%	17.4%
Saving Deposits (TRY bn.)									
Saving Deposits Public Banks	125.48	126.44	129.02	127.16	116.29	-0.8%	-2.7%	-1.3%	7.9%
Saving Deposits Private Banks	208.12	209.39	205.26	210.08	173.90	-0.6%	1.4%	-0.9%	19.7%
Saving Deposits Foreign Banks	53.78	53.78	52.84	53.61	44.79	0.0%	1.8%	0.3%	20.1%
Commercial Deposits (TRY bn.)									
Commercial Deposits Public Banks	50.67	49.40	51.08	50.76	56.34	2.6%	-0.8%	-0.2%	-10.1%
Commercial Deposits Private Banks	119.54	119.52	116.99	123.43	104.44	0.0%	2.2%	-3.1%	14.5%
Commercial Deposits Foreign Banks	28.18	27.32	26.43	26.92	25.47	3.1%	6.6%	4.7%	10.6%
Participation Accounts (TRY bn.)									
Participation Banks	29.65	29.76	29.49	29.52	27.49	-0.3%	0.5%	0.5%	7.9%
Repo Financing (TRY bn.)									
Repo Financing Public Banks	40.45	42.46	37.92	35.71	11.35	-4.7%	6.7%	13.3%	256.3%
Repo Financing Private Banks	51.77	53.07	54.93	52.35	29.47	-2.5%	-5.8%	-1.1%	75.7%
Repo Financing Foreign Banks	9.51	2.17	10.81	6.58	2.87	339.2%	-12.1%	44.5%	231.2%
NPLs (TRY bn.)									
Sector	19.02	18.89	18.57	18.76	19.75	0.7%	2.4%	1.4%	-3.7%
Public Banks	4.68	4.69	4.66	4.68	4.93	-0.1%	0.6%	0.0%	-4.9%
Private Banks	8.59	8.49	8.34	8.41	8.60	1.1%	2.9%	2.1%	-0.1%
Foreign Banks	4.13	4.10	4.03	4.09	4.75	0.6%	2.4%	1.0%	-13.2%
Participation Banks	1.28	1.26	1.19	1.22	1.13	1.5%	7.1%	4.2%	12.9%
NPL Ratios									
NPL Ratio Public Banks	2.6%	2.6%	2.6%	2.6%	3.4%	-0.1%	0.2%	0.2%	-24.9%
NPL Ratio Private Banks	2.5%	2.4%	2.4%	2.4%	3.4%	1.3%	2.1%	4.1%	-26.4%
NPL Ratio Foreign Banks	4.5%	4.5%	4.4%	4.5%	5.8%	1.3%	2.5%	1.1%	-22.4%
NPL Ratio Participation Banks	3.2%	3.2%	3.0%	3.1%	3.4%	0.5%	4.7%	1.8%	-7.0%
Total Securities Portfolio (TRY bn.)									
Public Banks	109.92	110.05	110.63	110.68	106.57	-0.1%	-0.6%	-0.7%	3.1%
Private Banks	144.61	145.54	145.26	143.74	146.18	-0.6%	-0.4%	0.6%	-1.1%
Foreign Banks	23.32	21.27	24.19	23.71	25.09	9.6%	-3.6%	-1.6%	-7.1%

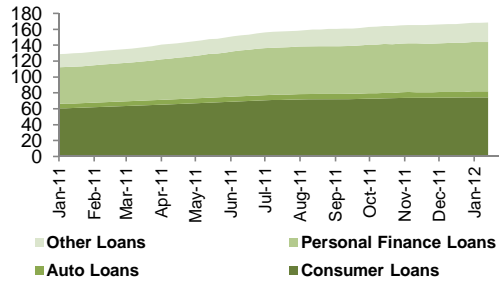
SECTOR TRENDS

Table 4: Currency Breakdown of loans (TRY bn)



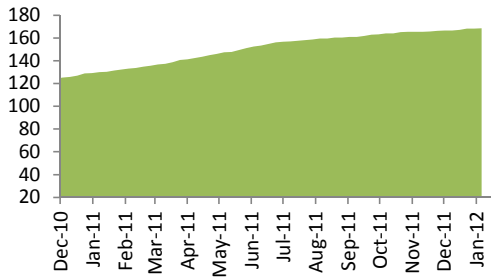
Source: BRSA

Table 5: Loan Breakdown by Sector (TRY bn)



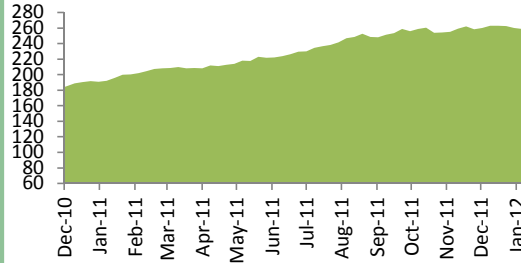
Source: BRSA

Table 6: Consumer Loans (TRY bn)



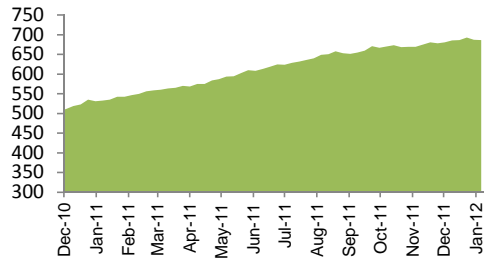
Source: BRSA

Table 7: Other Loans (TRY bn)



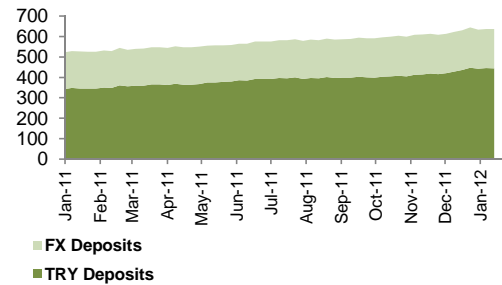
Source: BRSA

Table 8: Total Deposits (TRY bn)



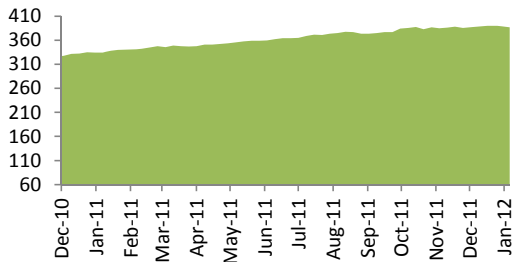
Source: BRSA

Table 9: Currency Breakdown of Deposits (TRY bn)



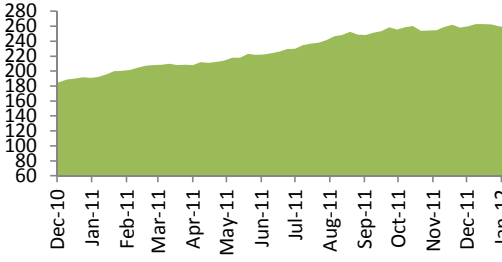
Source: BRSA

Table 10: Saving Deposits (TRY bn)



Source: BRSA

Table 11: Time Deposits (TRY bn)



Source: BRSA

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