

BRSA Weekly

Week starting December 12, 2011

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Total loans decreased to TRY 678.58bn (TRY 481.7bn in TRY loans and TRY 196.9bn in FX loans) from TRY 680.7bn indicating 0.3% WoW drop. Total loan growth was 26.8% YtD and 34.1% YoY. LDR reached 94.9%, up 0.4% WoW. With a decrease of 2.4% WoW, total FX loans were the main factor of the deterioration in total loans. However, the reason behind the decline in FX loans was the 3.0% WoW appreciation in lira against the US dollar during the week of Dec. 2nd. Despite the 0.3% WoW decrease in total loans, TRY loans increased 0.6% WoW. Please note that FX adjusted total loans and FX loan growth came in at 21.4% YtD and 15.4% YtD. The recent data supports the CBRT's view.

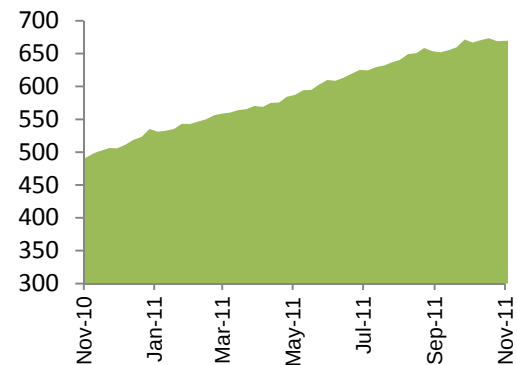
We feel that the CBRT would be happy with the recent credit deceleration and prefers the trend in consumer credits to remain around these "reasonable levels" in order to achieve a permanent improvement in the current account. Recall that we argued that the Bank would be more focused on consumer credit growth than before.

With respect to their ownership base, loan growth in foreign owned banks (13.0% YtD) continued to stay behind the sector (26.8% YtD). In more detail, long-term loans of foreign owned banks such as mortgages (-5.6% YtD) were less as a proportion of portfolios. Despite the decrease in long-term loans such as mortgage loans, foreign owned banks' consumer loans (44% YtD) are growing faster than the sector.

In terms of funding, deposit growth declined to 0.7% WoW and remains flat at 10.9% YtD and 17.4% YoY. When we look at the details, significant decrease was observed in corporate deposits (-2.9% WoW). Repo financing was volatile due to the recent actions taken by the CBRT. Following a 3.0% drop in the week of Nov. 25th, repo transactions increased by 2.9% WoW. 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.

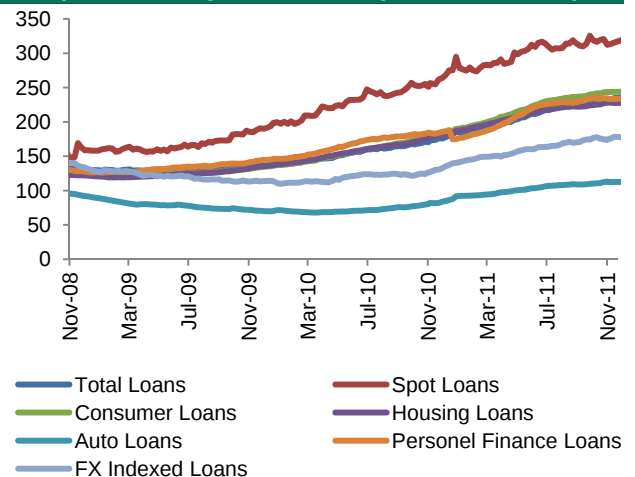
NPLs decreased 2.7% WoW due to the retreat in loan growth. Recall that NPLs jumped 2.0% WoW in the week of Nov. 25. With a 6.0% WoW healing, private banks showed the most solid performance. As we only consider NPLs as an asset quality indicator (*ceteris paribus*) since the beginning of the year, foreign banks were the best performers with a decrease of 16.1%.

Graph 1: Loan growth (TRY, bn)



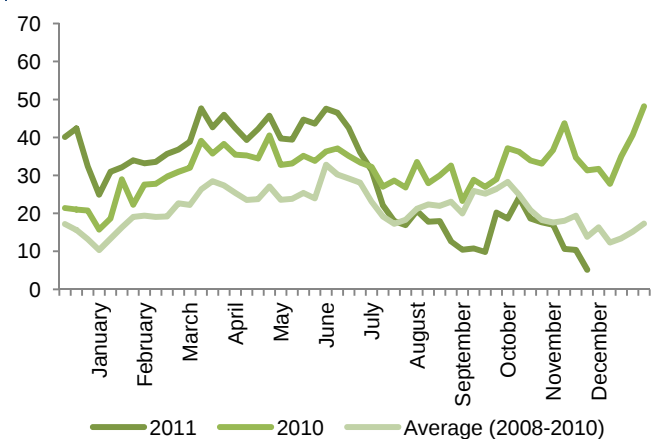
Source: BRSA

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



Source: BRSA

Graph 3: Annualized loan growth



Source: BRSA

BRSA DATA BY SEGMENT

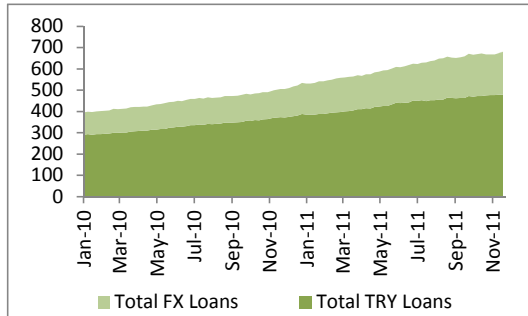
	02.12.2011	25.11.2011	28.10.2011	31.12.2010	03.12.2010	WoW	Differences		
							MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	678,58	680,69	669,05	535,34	505,84	-0,3%	1,4%	26,8%	34,1%
Total TRY Loans	481,67	478,97	477,08	389,33	373,04	0,6%	1,0%	23,7%	29,1%
Total FX Loans	196,91	201,72	191,97	146,01	132,80	-2,4%	2,6%	34,9%	48,3%
Loans by Segment									
Loans excl. FI	622,40	624,04	614,13	483,72	456,70	-0,3%	1,3%	28,7%	36,3%
Consumer Loans	166,49	165,95	165,29	129,04	124,38	0,3%	0,7%	29,0%	33,9%
Mortgage Loans	74,16	74,02	73,82	60,80	58,46	0,2%	0,5%	22,0%	26,9%
Auto Loans	7,03	6,97	6,93	5,67	5,17	0,7%	1,4%	24,0%	35,8%
FX Index Loans	32,24	32,42	31,94	25,42	23,73	-0,6%	0,9%	26,8%	35,8%
GPL	61,51	61,29	61,39	45,84	48,33	0,4%	0,2%	34,2%	27,3%
Corporate Loans	146,18	144,90	144,05	107,51	98,64	0,9%	1,5%	36,0%	48,2%
Deposits (TRY bn.)									
Total Deposits	714,80	719,74	709,31	644,58	608,96	-0,7%	0,8%	10,9%	17,4%
Total TRY Deposits	464,41	465,70	462,92	447,55	415,86	-0,3%	0,3%	3,8%	11,7%
Total FX Deposits	250,39	254,04	246,39	197,03	193,10	-1,4%	1,6%	27,1%	29,7%
Deposits by Segment									
Saving Deposits	385,73	388,78	382,98	335,59	326,33	-0,8%	0,7%	14,9%	18,2%
Demand deposits	48,17	48,75	48,55	36,93	34,89	-1,2%	-0,8%	30,4%	38,0%
Time Deposits	337,56	340,03	334,43	298,66	291,44	-0,7%	0,9%	13,0%	15,8%
Corporate Deposits	192,56	198,22	194,97	187,02	171,14	-2,9%	-1,2%	3,0%	12,5%
Other Deposits	62,03	59,71	59,97	61,01	56,07	3,9%	3,4%	1,7%	10,6%
Participation Accounts	38,45	39,01	38,31	33,70	31,45	-1,4%	0,4%	14,1%	22,2%
Repo Transactions	104,99	102,00	119,11	57,50	59,50	2,9%	-11,9%	82,6%	76,5%
NPLs (TRY bn.)									
Total Gross NPL	18,64	19,16	18,48	19,78	20,21	-2,7%	0,8%	-5,8%	-7,8%
Total Specific provisioning	15,51	15,77	15,28	16,78	17,29	-1,7%	1,6%	-7,5%	-10,3%
Total NPL Consumer Loans	3,18	3,25	3,19	3,64	3,56	-2,1%	-0,2%	-12,6%	-10,6%
NPL Corporate Loans	2,61	2,61	2,58	2,97	3,09	-0,1%	1,2%	-12,2%	-15,7%
Total NPL Consumer Loans	3,53	3,75	3,68	3,79	3,84	-5,8%	-4,1%	-6,8%	-8,1%
Total Corp. Credit Cards	0,07	0,07	0,07	0,07	0,08	1,4%	4,5%	1,4%	-13,6%
NPL Ratios									
NPL Ratio	2,7%	2,8%	2,8%	3,7%	4,00%	-2,4%	-0,6%	-25,7%	-31,3%
NPL Ratio (Consumer Loans)	1,9%	2,0%	1,9%	2,8%	2,86%	-2,4%	-0,9%	-32,2%	-33,2%
Securities Portfolio (TRY bn.)									
Total Securities	286,27	289,59	287,36	287,90	281,70	-1,1%	-0,4%	-0,6%	1,6%
Government Securities	125,54	130,47	113,63	193,45	185,10	-3,8%	10,5%	-35,1%	-32,2%
Held for Trading	3,81	4,63	4,52	5,55	5,57	-17,7%	-15,6%	-31,4%	-31,6%
Available for Sale	93,63	100,08	86,65	129,35	126,47	-6,4%	8,1%	-27,6%	-26,0%
Held to Maturity	28,10	25,76	22,47	58,55	53,06	9,1%	25,1%	-52,0%	-47,0%
Repo Transactions	109,69	106,17	122,44	55,68	57,94	3,3%	-10,4%	97,0%	89,3%
Off Balance Sheet									
Off Balance Sheet Liabilities	1300,96	1285,10	1277,65	1007,12	988,55	1,2%	1,8%	29,2%	31,6%
Non-Cash Loans	209,39	211,71	204,37	163,65	156,82	-1,1%	2,5%	28,0%	33,5%
Commitments	1091,56	1073,39	1073,28	843,46	831,73	1,7%	1,7%	29,4%	31,2%
Derivatives	577,02	602,23	584,78	383,19	383,33	-4,2%	-1,3%	50,6%	50,5%
Other Commitments	514,54	471,16	488,50	460,28	448,40	9,2%	5,3%	11,8%	14,8%
Key Ratios									
Loan to Deposit Ratio	94,9%	94,6%	94,3%	83,1%	83,1%	0,4%	0,6%	13,9%	13,6%
Loan to Total Assets	2,37	2,35	2,33	1,86	1,80	0,8%	1,8%	26,4%	29,7%

BRSA DATA BY BANKING GROUP

	02.12.2011	25.11.2011	28.10.2011	31.12.2010	03.12.2010	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	678,58	680,69	669,05	535,34	505,84	-0,3%	1,4%	26,8%	34,1%
Total Loans Public Banks	180,12	180,27	177,89	144,92	137,24	-0,1%	1,3%	24,3%	31,2%
Total Loans Private Banks	342,01	344,45	337,68	259,12	241,22	-0,7%	1,3%	32,0%	41,8%
Total Loans Foreign Banks	91,39	91,32	91,42	80,86	78,30	0,1%	0,0%	13,0%	16,7%
Total Loans Participation Banks	39,52	39,23	37,76	31,64	31,16	0,7%	4,7%	24,9%	26,8%
Spot Loans (TRY bn.)									
Spot Loans	77,29	77,41	77,02	70,82	63,40	-0,2%	0,3%	9,1%	21,9%
Spot Loans Public Banks	4,55	4,66	5,37	9,81	9,88	-2,5%	-15,3%	-53,6%	-54,0%
Spot Loans Private Banks	60,72	60,75	59,63	50,30	42,93	-0,1%	1,8%	20,7%	41,5%
Spot Loans Foreign Banks	3,84	3,86	3,94	3,58	3,55	-0,5%	-2,6%	7,2%	8,0%
Consumer Loans (TRY bn.)									
Consumer Loans	166,49	165,95	165,29	129,04	124,38	0,3%	1,0%	33,6%	38,4%
Consumer Loans Public Banks	61,96	61,77	61,32	46,39	44,75	0,4%	0,7%	32,0%	37,5%
Consumer Loans Private Banks	72,47	72,20	71,94	54,91	52,69	0,2%	-0,4%	9,7%	12,7%
Consumer Loans Foreign Banks	25,97	25,93	26,07	23,68	23,04	0,7%	3,1%	44,0%	49,8%
Mortgage Loans (TRY bn.)									
Mortgage Loans	74,16	74,02	73,82	60,80	58,46	0,2%	0,5%	22,0%	26,9%
Mortgage Loans Public Banks	22,08	22,04	21,82	16,96	16,26	0,2%	1,2%	30,2%	35,8%
Mortgage Loans Private Banks	34,69	34,62	34,66	27,22	26,12	0,2%	0,1%	27,4%	32,8%
Mortgage Loans Foreign Banks	12,51	12,52	12,63	13,26	12,84	-0,1%	-1,0%	-5,6%	-2,5%
Deposits (TRY bn.)									
Total Deposits Public Banks	239,34	239,03	233,59	226,86	214,79	0,1%	2,5%	5,5%	11,4%
Total Deposits Private Banks	348,47	352,93	348,64	306,85	289,65	-1,3%	0,0%	13,6%	20,3%
Total Deposits Foreign Banks	88,54	88,78	88,77	77,18	73,07	-0,3%	-0,3%	14,7%	21,2%
Saving Deposits (TRY bn.)									
Saving Deposits Public Banks	128,63	129,99	127,40	117,14	112,30	-1,0%	1,0%	9,8%	14,5%
Saving Deposits Private Banks	204,35	206,10	203,86	173,82	170,55	-0,9%	0,2%	17,6%	19,8%
Saving Deposits Foreign Banks	52,75	52,68	51,71	44,63	43,47	0,1%	2,0%	18,2%	21,3%
Commercial Deposits (TRY bn.)									
Commercial Deposits Public Banks	51,36	51,89	48,72	58,53	53,78	-1,0%	5,4%	-12,3%	-4,5%
Commercial Deposits Private Banks	114,96	119,15	117,56	103,25	94,23	-3,5%	-2,2%	11,3%	22,0%
Commercial Deposits Foreign Banks	26,24	27,18	28,69	25,24	23,13	-3,5%	-8,5%	4,0%	13,4%
Participation Accounts (TRY bn.)									
Participation Banks	29,41	29,97	29,17	27,21	26,00	-1,9%	0,8%	8,1%	13,1%
Repo Financing (TRY bn.)									
Repo Financing Public Banks	35,71	35,53	41,19	16,25	16,10	0,5%	-13,3%	119,8%	121,8%
Repo Financing Private Banks	55,89	55,83	63,10	37,71	38,95	0,1%	-11,4%	48,2%	43,5%
Repo Financing Foreign Banks	10,97	8,72	12,67	2,34	3,44	25,8%	-13,4%	370,0%	218,6%
NPLs (TRY bn.)									
Sector	18,64	19,16	18,48	19,78	20,21	-2,7%	0,8%	-5,8%	-7,8%
Public Banks	4,63	4,61	4,59	4,93	4,93	0,4%	0,8%	-6,1%	-6,1%
Private Banks	8,48	9,02	8,53	8,66	9,03	-6,0%	-0,6%	-2,0%	-6,1%
Foreign Banks	3,99	3,98	3,87	4,76	4,74	0,3%	3,1%	-16,1%	-15,8%
Participation Banks	1,18	1,18	1,15	1,08	1,16	-0,3%	2,2%	8,8%	1,5%
NPL Ratios									
NPL Ratio Public Banks	3%	3%	3%	3%	4%	0,5%	-0,4%	-24,5%	-28,5%
NPL Ratio Private Banks	2%	3%	3%	3%	4%	-5,3%	-1,8%	-25,8%	-33,8%
NPL Ratio Foreign Banks	4%	4%	4%	6%	6%	0,2%	3,2%	-25,8%	-27,8%
NPL Ratio Participation Banks	3%	3%	3%	3%	4%	-1,1%	-2,4%	-12,9%	-20,0%
Total Securities Portfolio (TRY bn.)									
Public Banks	110,39	110,70	109,42	110,16	107,46	-0,3%	0,9%	0,2%	2,7%
Private Banks	145,00	147,00	144,90	148,08	145,66	-1,4%	0,1%	-2,1%	-0,5%
Foreign Banks	23,97	25,19	26,58	23,87	23,09	-4,9%	-9,8%	0,4%	3,8%

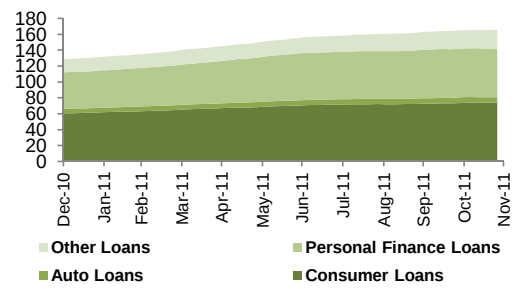
SECTOR TRENDS

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



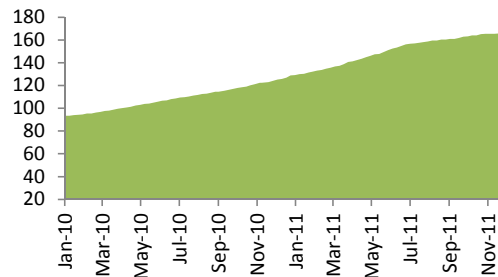
Source: BRSA

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



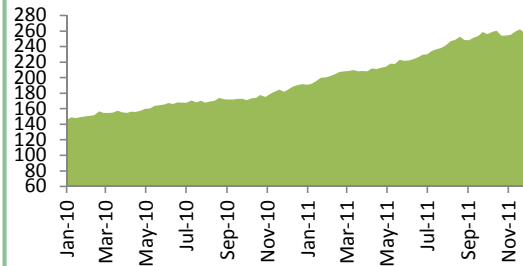
Source: BRSA

Table 6: Consumer Loans (TRY bn.)



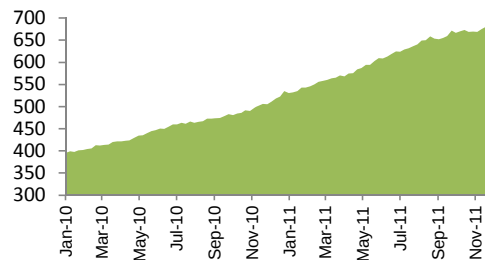
Source: BRSA

Table 7: Other Loans (TRY bn.)



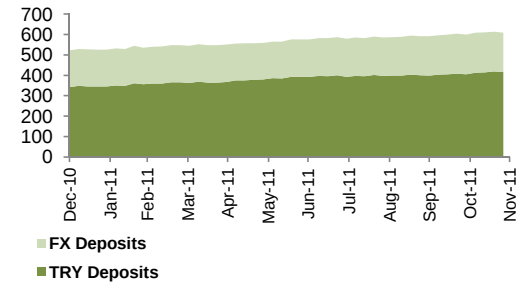
Source: BRSA

Table 8: Total Deposits (bn)



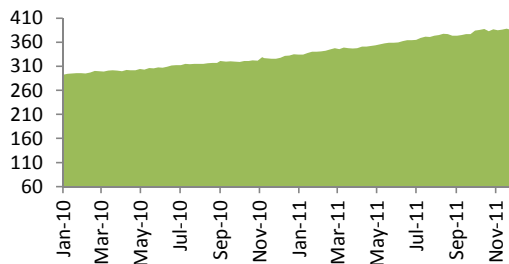
Source: BRSA

Table 9: Currency Breakdown of Deposits (TRY bn)



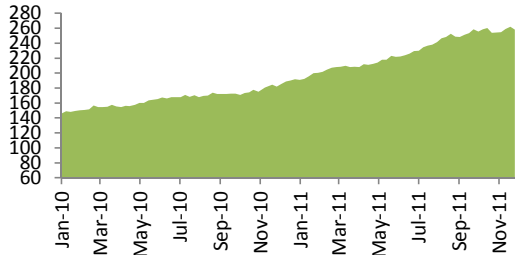
Source: BRSA

Table 10: Saving Deposits



Source: BRSA

Table 11: Time Deposits



Source: BRSA

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