

BRSA Weekly

Week ending December 9, 2011

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Analyst

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Total loans increased to TRY 681.1bn (TRY 482.3bn in TRY loans and TRY 198.8bn in FX loans) indicating 0.4% WoW growth. Total loan growth was 27.2% YtD and 33.2% YoY. LDR reached 95.6%, up 0.7% WoW. With a increase of 0.9% WoW, total FX loans were the main factor of the growth in total loans. Please note that FX adjusted total loans and FX loan growth came in at 21.5% YtD and 15.2% YtD.

Consumer loans increased 29.3% Ytd. In detailed data private and public banks are main drivers of consumer loan growth with 32.3% and 33.9% YtD growth. However, we are expecting a sharp slowdown in retail consumer loans in the upcoming weeks due to reluctance of banks in consumer lending, weak consumer demand and possible regulatory measures against consumer loan growth.

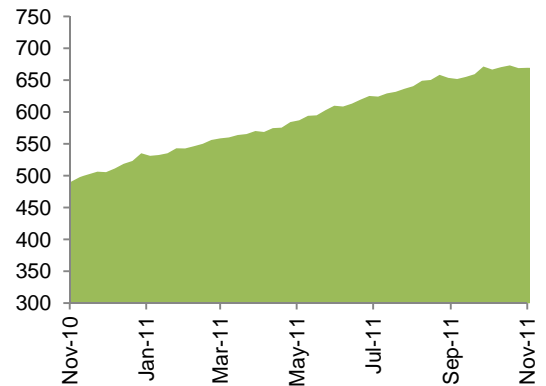
With respect to their ownership base, loan growth in foreign owned banks (13.3% YtD) continued to stay behind the sector (27.2% YtD). In more detail, long-term loans of foreign owned banks such as mortgages (-5.7% YtD) were less as a proportion of portfolios.

In terms of funding, deposit growth declined to 0.3% WoW and remains flat at 10.6% YtD and 16.0% YoY. When we look at the details, significant decrease was observed in other deposits (-3.0% WoW)

Repo financing was volatile due to the recent actions taken by the CBRT. After a 3.0% drop in the week of Nov. 25th, repo transactions increased by 2.9% as the week of Dec 2nd and 1.2% as the week of Dec 9th. 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.

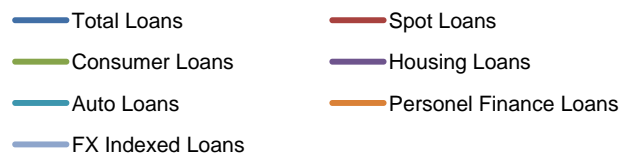
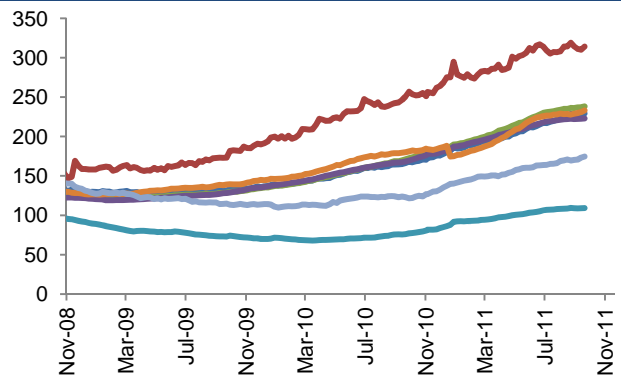
Healing in NPLs accelerated after one month break with 0.7% WoW decrease. Recall that NPLs decreased 2.7% in the week of Dec. 2nd due to the retreat in loan growth. With a 1.6% WoW healing, private banks showed the most solid performance. As we only consider NPLs as an asset quality indicator (ceteris paribus) since the beginning of the year, foreign banks were the best performers with a decrease of 15.4%. On the other hand, participation banks are the worst performers with 9.9% Ytd growth.

Graph 1: Loan growth (TRY, bn)



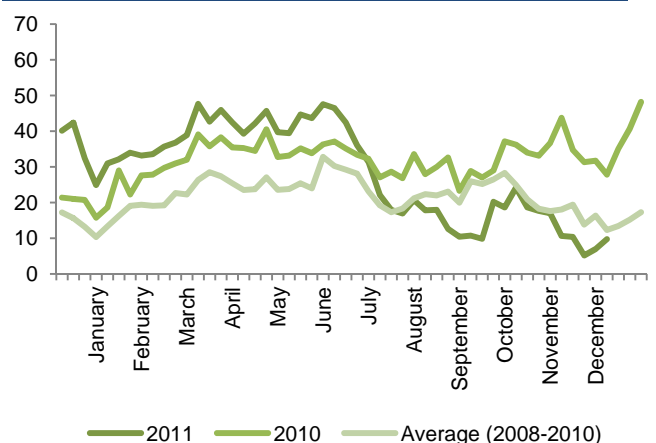
Source: BRSA

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



Source: BRSA

Graph 3: Annualized loan growth



Source: BRSA

BRSA DATA BY SEGMENT

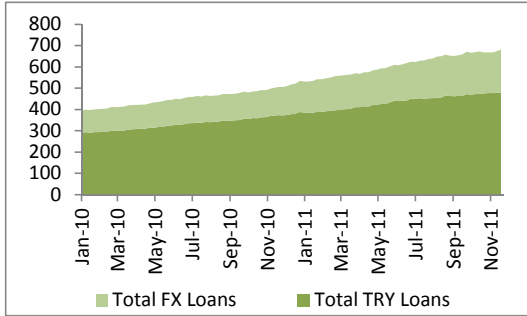
	09.12.2011	02.12.2011	04.11.2011	31.12.2010	10.12.2010	Differences				
						WoW	MoM	YTD	YoY	
Loans (TRY bn.)										
Total Loans	681,09	678,58	669,49	535,34	511,45	0,4%	1,7%	27,2%	33,2%	
Total TRY Loans	482,32	481,67	478,23	389,33	375,96	0,1%	0,9%	23,9%	28,3%	
Total FX Loans	198,77	196,91	191,26	146,01	135,49	0,9%	3,9%	36,1%	46,7%	
Loans by Segment										
Loans excl. FI	624,68	622,40	614,03	483,72	462,12	0,4%	1,7%	29,1%	35,2%	
Consumer Loans	166,85	166,49	165,61	129,04	125,36	0,2%	0,8%	29,3%	33,1%	
Mortgage Loans	74,24	74,16	74,18	60,80	58,91	0,1%	0,1%	22,1%	26,0%	
Auto Loans	7,07	7,03	6,98	5,67	5,25	0,7%	1,3%	24,8%	34,7%	
FX Index Loans	32,45	32,24	31,78	25,42	24,09	0,7%	2,1%	27,7%	34,7%	
GPL	61,70	61,51	61,58	45,84	48,71	0,3%	0,2%	34,6%	26,7%	
Corporate Loans	146,31	146,18	145,04	107,51	99,26	0,1%	0,9%	36,1%	47,4%	
Deposits (TRY bn.)										
Total Deposits	712,66	714,80	708,87	644,58	614,22	-0,3%	0,5%	10,6%	16,0%	
Total TRY Deposits	461,00	464,41	463,47	447,55	421,30	-0,7%	-0,5%	3,0%	9,4%	
Total FX Deposits	251,67	250,39	245,40	197,03	192,92	0,5%	2,6%	27,7%	30,4%	
Deposits by Segment										
Saving Deposits	387,12	385,73	387,16	335,59	328,01	0,4%	0,0%	15,4%	18,0%	
Demand deposits	47,96	48,17	53,47	36,93	34,65	-0,4%	-10,3%	29,9%	38,4%	
Time Deposits	339,16	337,56	333,69	298,66	293,36	0,5%	1,6%	13,6%	15,6%	
Corporate Deposits	194,50	192,56	192,63	187,02	174,87	1,0%	1,0%	4,0%	11,2%	
Other Deposits	60,18	62,03	58,43	61,01	56,63	-3,0%	3,0%	-1,4%	6,3%	
Participation Accounts	38,48	38,45	38,28	33,70	31,85	0,1%	0,5%	14,2%	20,8%	
Repo Transactions	106,29	104,99	118,93	57,50	57,49	1,2%	-10,6%	84,9%	84,9%	
NPLs (TRY bn.)										
Total Gross NPL	18,57	18,64	18,67	19,78	20,20	-0,3%	-0,5%	-6,1%	-8,0%	
Total Specific provisioning	15,19	15,51	15,29	16,78	17,30	-2,1%	-0,7%	-9,4%	-12,2%	
Total NPL Consumer Loans	3,19	3,18	3,21	3,64	3,55	0,2%	-0,6%	-12,4%	-10,3%	
NPL Corporate Loans	2,63	2,61	2,59	2,97	3,07	1,1%	1,8%	-11,3%	-14,3%	
Total NPL Consumer Loans	3,50	3,53	3,70	3,79	3,84	-0,8%	-5,2%	-7,6%	-8,8%	
Total Corp. Credit Cards	0,07	0,07	0,07	0,07	0,08	-1,4%	1,5%	0,0%	-13,8%	
NPL Ratios										
NPL Ratio	2,7%	2,7%	2,8%	3,7%	3,95%	-0,7%	-2,2%	-26,2%	-30,9%	
NPL Ratio (Consumer Loans)	1,9%	1,9%	1,9%	2,8%	2,83%	0,0%	-1,4%	-32,2%	-32,6%	
Securities Portfolio (TRY bn.)										
Total Securities	287,13	286,27	286,48	287,90	285,35	0,3%	0,2%	-0,3%	0,6%	
Government Securities	125,33	125,54	111,61	193,45	189,54	-0,2%	12,3%	-35,2%	-33,9%	
Held for Trading	4,20	3,81	3,89	5,55	5,92	10,2%	7,9%	-24,4%	-29,0%	
Available for Sale	94,85	93,63	82,70	129,35	130,80	1,3%	14,7%	-26,7%	-27,5%	
Held to Maturity	26,29	28,10	25,02	58,55	52,82	-6,5%	5,1%	-55,1%	-50,2%	
Repo Transactions	111,00	109,69	123,38	55,68	56,36	1,2%	-10,0%	99,4%	97,0%	
Off Balance Sheet										
Off Balance Sheet Liabilities	1317,75	1300,96	1257,66	1007,12	980,01	1,3%	4,8%	30,8%	34,5%	
Non-Cash Loans	211,27	209,39	204,44	163,65	158,79	0,9%	3,3%	29,1%	33,1%	
Commitments	1106,48	1091,56	1053,22	843,46	821,22	1,4%	5,1%	31,2%	34,7%	
Derivatives	589,57	577,02	595,74	383,19	386,97	2,2%	-1,0%	53,9%	52,4%	
Other Commitments	516,90	514,54	457,49	460,28	434,24	0,5%	13,0%	12,3%	19,0%	
Key Ratios										
Loan to Deposit Ratio	95,6%	94,9%	94,4%	83,1%	83,3%	0,7%	1,2%	14,3%	13,4%	
Loan to Total Assets	2,37	2,37	2,34	1,86	1,79	0,1%	1,5%	27,5%	30,4%	

BRSA DATA BY BANKING GROUP

	09.12.2011	02.12.2011	04.11.2011	31.12.2010	10.12.2010	Differences			
						WoW	MoM	YTD	YoY
Loans (TRY bn.)									
Total Loans	681,09	678,58	669,49	535,34	511,45	0,4%	1,7%	27,2%	33,2%
Total Loans Public Banks	181,16	180,12	177,90	144,92	139,48	0,6%	1,8%	25,0%	29,9%
Total Loans Private Banks	343,29	342,01	337,91	259,12	243,84	0,4%	1,6%	32,5%	40,8%
Total Loans Foreign Banks	91,58	91,39	90,77	80,86	78,80	0,2%	0,9%	13,3%	16,2%
Total Loans Participation Banks	39,36	39,52	38,37	31,64	31,25	-0,4%	2,6%	24,4%	26,0%
Spot Loans (TRY bn.)									
Spot Loans	78,01	77,29	75,11	70,82	64,47	0,9%	3,9%	10,2%	21,0%
Spot Loans Public Banks	4,43	4,55	4,95	9,81	10,20	-2,5%	-10,5%	-54,8%	-56,5%
Spot Loans Private Banks	61,40	60,72	58,37	50,30	43,62	1,1%	5,2%	22,1%	40,8%
Spot Loans Foreign Banks	4,01	3,84	3,77	3,58	3,63	4,4%	6,3%	11,9%	10,4%
Consumer Loans (TRY bn.)									
Consumer Loans	166,85	166,49	165,61	129,04	125,36	0,2%	0,8%	29,3%	33,1%
Consumer Loans Public Banks	62,12	61,96	61,44	46,39	45,21	0,3%	1,1%	33,9%	37,4%
Consumer Loans Private Banks	72,65	72,47	72,05	54,91	53,05	0,2%	0,8%	32,3%	36,9%
Consumer Loans Foreign Banks	25,96	25,97	26,06	23,68	23,16	-0,1%	-0,4%	9,6%	12,1%
Mortgage Loans (TRY bn.)									
Mortgage Loans	74,24	74,16	74,18	60,80	58,91	0,1%	0,1%	22,1%	26,0%
Mortgage Loans Public Banks	22,10	22,08	22,02	16,96	16,39	0,1%	0,4%	30,3%	34,8%
Mortgage Loans Private Banks	34,75	34,69	34,75	27,22	26,30	0,2%	0,0%	27,6%	32,1%
Mortgage Loans Foreign Banks	12,50	12,51	12,62	13,26	12,95	-0,1%	-1,0%	-5,7%	-3,5%
Deposits (TRY bn.)									
Total Deposits Public Banks	238,43	239,34	236,09	226,86	214,43	-0,4%	1,0%	5,1%	11,2%
Total Deposits Private Banks	348,72	348,47	346,39	306,85	293,98	0,1%	0,7%	13,6%	18,6%
Total Deposits Foreign Banks	87,04	88,54	88,12	77,18	73,97	-1,7%	-1,2%	12,8%	17,7%
Saving Deposits (TRY bn.)									
Saving Deposits Public Banks	129,02	128,63	130,15	117,14	112,80	0,3%	-0,9%	10,1%	14,4%
Saving Deposits Private Banks	205,26	204,35	204,94	173,82	171,59	0,4%	0,2%	18,1%	19,6%
Saving Deposits Foreign Banks	52,84	52,75	52,07	44,63	43,62	0,2%	1,5%	18,4%	21,1%
Commercial Deposits (TRY bn.)									
Commercial Deposits Public Banks	51,08	51,36	50,05	58,53	53,57	-0,5%	2,0%	-12,7%	-4,7%
Commercial Deposits Private Banks	116,99	114,96	114,49	103,25	97,18	1,8%	2,2%	13,3%	20,4%
Commercial Deposits Foreign Banks	26,43	26,24	28,09	25,24	24,11	0,7%	-5,9%	4,7%	9,6%
Participation Accounts (TRY bn.)									
Participation Banks	29,49	29,41	29,17	27,21	26,36	0,3%	1,1%	8,4%	11,9%
Repo Financing (TRY bn.)									
Repo Financing Public Banks	37,92	35,71	42,00	16,25	20,04	6,2%	-9,7%	133,4%	89,2%
Repo Financing Private Banks	54,93	55,89	62,04	37,71	34,13	-1,7%	-11,5%	45,7%	60,9%
Repo Financing Foreign Banks	10,81	10,97	12,79	2,34	2,22	-1,5%	-15,4%	363,1%	388,2%
NPLs (TRY bn.)									
Sector	18,57	18,64	18,67	19,78	20,20	-0,3%	-0,5%	-6,1%	-8,0%
Public Banks	4,66	4,63	4,63	4,93	4,93	0,6%	0,6%	-5,6%	-5,5%
Private Banks	8,34	8,48	8,65	8,66	9,02	-1,6%	-3,6%	-3,6%	-7,5%
Foreign Banks	4,03	3,99	3,89	4,76	4,74	0,9%	3,6%	-15,4%	-15,0%
Participation Banks	1,19	1,18	1,16	1,08	1,16	1,0%	2,9%	9,9%	2,5%
NPL Ratios									
NPL Ratio Public Banks	3%	3%	3%	3%	4%	0,0%	-1,2%	-24,5%	-27,2%
NPL Ratio Private Banks	2%	2%	3%	3%	4%	-2,0%	-5,1%	-27,3%	-34,3%
NPL Ratio Foreign Banks	4%	4%	4%	6%	6%	0,7%	2,7%	-25,3%	-26,9%
NPL Ratio Participation Banks	3%	3%	3%	3%	4%	1,4%	0,3%	-11,7%	-18,6%
Total Securities Portfolio (TRY bn.)									
Public Banks	110,63	110,39	109,21	110,16	109,85	0,2%	1,3%	0,4%	0,7%
Private Banks	145,26	145,00	144,90	148,08	146,11	0,2%	0,2%	-1,9%	-0,6%
Foreign Banks	24,19	23,97	25,83	23,87	23,90	0,9%	-6,4%	1,3%	1,2%

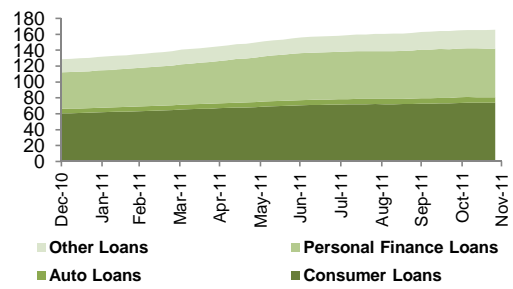
SECTOR TRENDS

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



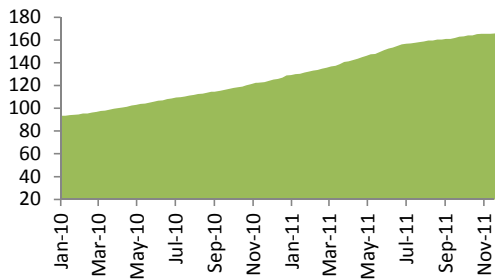
Source: BRSA

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



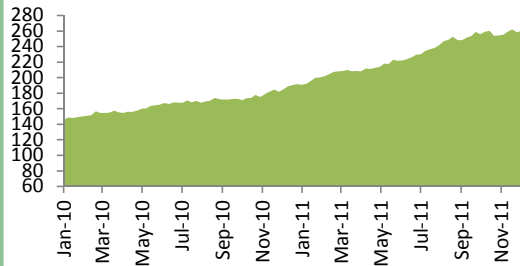
Source: BRSA

Table 6: Consumer Loans (TRY bn.)



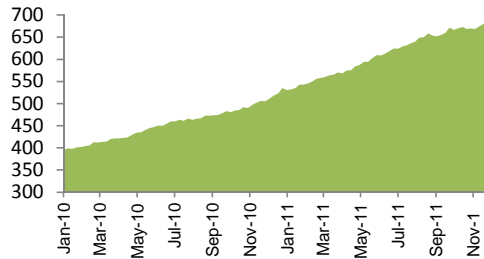
Source: BRSA

Table 7: Other Loans (TRY bn.)



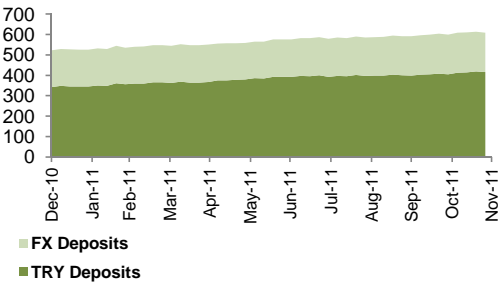
Source: BRSA

Table 8: Total Deposits (bn)



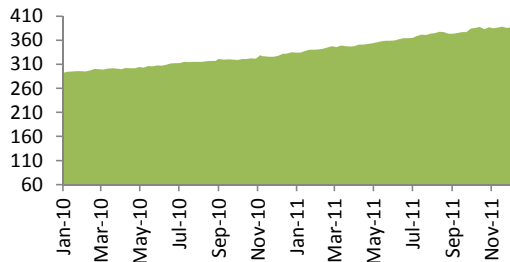
Source: BRSA

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



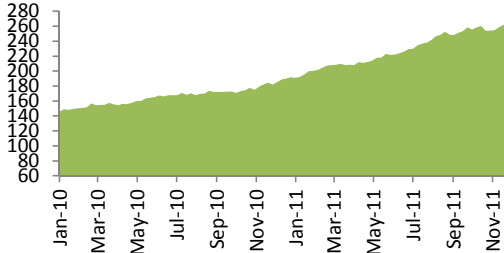
Source: BRSA

Table 10: Saving Deposits



Source: BRSA

Table 11: Time Deposits



Source: BRSA

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