



June 2019

Economic Research Division

İzlem Erdem
Chief Economist
izlem.erdem@isbank.com.tr

Alper Gürler
Unit Manager
alper.gurler@isbank.com.tr

H. Erhan Gül
Asst. Manager
erhan.gul@isbank.com.tr

İlker Şahin
Economist
ilker.sahin@isbank.com.tr

Gamze Can
Economist
gamze.can@isbank.com.tr

Ayşim Kalkan
Asst. Economist
aysim.kalkan@isbank.com.tr

Turkish Economy	2
Financial Markets	5
Banking Sector.....	6
Concluding Remarks.....	7
Graphs.....	8
Tables.....	10

Global Economy

While the global economic activity was stronger than expected in the first quarter, the composition of growth indicated that this performance was unsustainable. Parallel to this, leading indicators for the second quarter in major economies pointed to a slowdown.

Against the current backdrop, where risks over global economy are rising, expectations that leading central banks will follow accommodative monetary policies have strengthened. A quite lower-than-expected May US non-farm payrolls data reinforced these expectations. At its June meeting, ECB stated that the interest rates will remain at their current levels at least until the mid-2020.

OECD and World Bank cut their 2019 global growth forecasts. They also lowered their 2019 growth forecasts for Turkey. While OECD expects Turkey's GDP to shrink by 2.6% this year, World Bank suggests that Turkish economy is set for 1% contraction.

After the resignation of the UK Prime Minister May, the likelihood of a no-deal Brexit has increased. The Eurosceptic Brexit Party, which was founded only a few months ago, won the most UK seats in the European Parliament elections. This has further fueled no-deal Brexit worries.

Despite the recent expectations that output cuts would be maintained, oil prices fell sharply as concerns over global trade have intensified.

Turkish Economy

The weakness in labor market continues. In February period, unemployment rate increased by 4.1 points yoy to 14.7%. Youth unemployment rate came in at 26.1%.

In the first quarter of 2019, Turkish economy contracted by 2.6% compared to the same period of the previous year, according to the chain-linked volume index.

While manufacturing PMI, which declined to 45.3 in May, pointed to a slowdown in the sector for 14 months, consumer confidence index fell to record low in May with 55.3.

Foreign trade deficit continued to contract in April. During this period, exports rose by 4.6% yoy, while imports decreased by 15.1%. Thus, foreign trade deficit was narrowed by 55.6% compared to the same period of the previous year.

In March, current account deficit was realized at 589 million USD, while 12-month cumulative deficit became 12.8 billion USD, the lowest level since 2009.

Deterioration in central government budget continued in April. During this period, budget deficit increased by 15.6 billion TRY compared to the same period of previous year to 18.3 billion TRY.

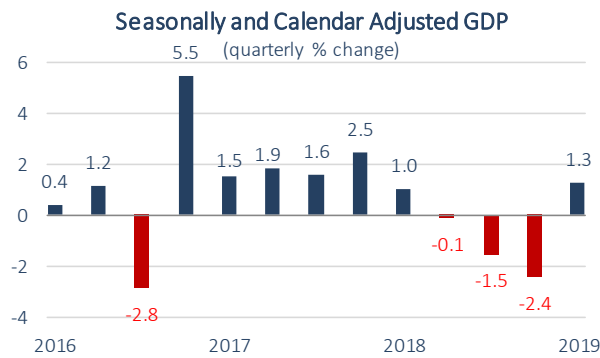
In May, CPI increased below market expectations by 0.95% on a monthly basis. Annual inflation was 18.71% in this period.

Domestic markets were under heavy selling pressure in May. Yet, it offset much of its losses towards the end of the month.

Turkish economy contracted by 2.6% in the first quarter.

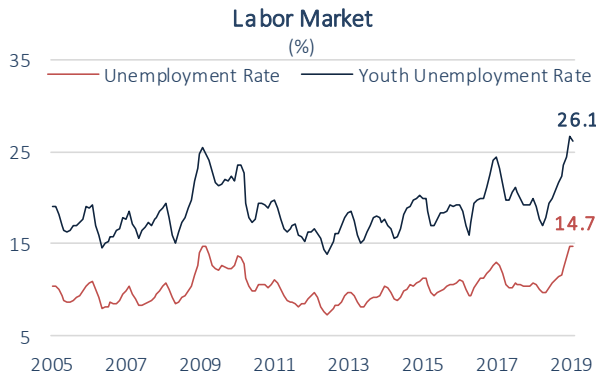
In the first quarter of 2019, Turkish economy contracted by 2.6% compared to the same period of the previous year, according to the chain-linked volume index (2009=100).

According to seasonally and calendar adjusted figures, Turkish economy grew by 1.3% qoq in the January-March period. Thus, Turkish economy, which had contracted on quarterly basis since the second quarter of 2018, emerged from technical recession, posting a positive growth number. During this period, private and public consumption expenditures increased compared to the previous quarter, while the contraction in investment expenditures continued. Exports and imports also declined compared to the previous quarter.



Unemployment rate was 14.7% in February.

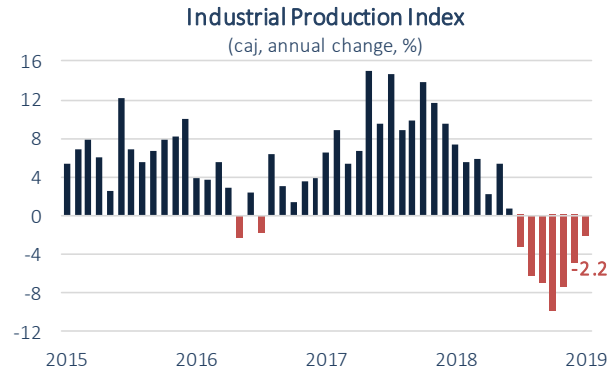
The weakness in economic activity continues to weigh on labor market performance. According to the data released by Turkstat, unemployment rate increased by 4.1 points compared to the previous year and became 14.7%. In this period, while employment fell by 811 thousand on an annual basis due to the acceleration in decline in construction and industry sectors, the number of unemployed people increased by 1.4 million and reached a historic high level of 4.7 million people. Youth unemployment rate, which was at a record high level in the previous period, declined to 26.1% in February.



Industrial production contracted by 4.8% in the first quarter.

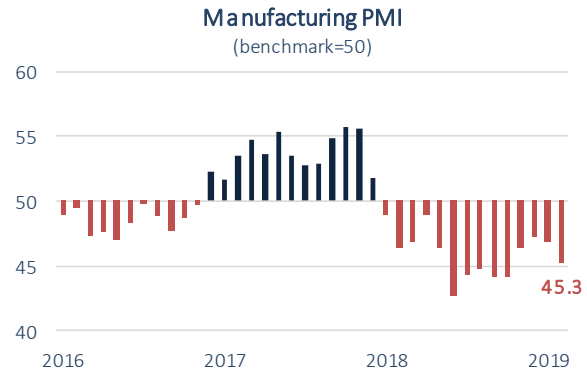
Calendar adjusted industrial production contracted by 2.2% in March on a yearly basis, showing a better-than-

expected outlook. In this period, production in 13 of the 24 sub-sectors in the manufacturing industry declined on a yearly basis. As of the first quarter of the year, the contraction in industrial production was 4.8%. In the last quarter of 2018, industrial production declined by 7.8%. Following an increase in January and February, seasonally and calendar adjusted industrial production also rose by 2.1% in March.



Manufacturing PMI is at 45.3.

Manufacturing PMI, which was 46.8 in April, fell to 45.3 in May. Remaining below 50 threshold level for 14 consecutive months, manufacturing PMI indicated that activity across the sector has continued to weaken. While the depreciation in TRY had a negative impact on input costs and domestic demand, the slowdown in export orders was remarkable in this period.



Capacity utilization rate increased in May.

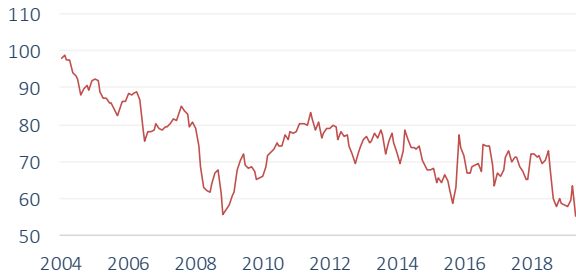
Real sector confidence index decreased by 6.6 points mom to 98.9 in May. The decline was widespread among the sub-items; particularly assessment about the general business situation was significantly deteriorated. Seasonally adjusted real sector confidence index fell by 5.3 points mom to 94.7. On the other hand, the seasonally adjusted capacity utilization rate increased by 1.3 points to 76.3% in the same period, reaching the highest level since August 2018.

Rapid decline in consumer confidence...

According to the data released by Turkstat, Consumer Confidence Index declined by 13% mom to 55.3 in May, falling to its lowest level since the data was first

published in 2004. It was noteworthy that the deterioration was broad-based among all the sub-items. Regarding the next 12 months, the expectations for general economic situation, financial situation, the number of people unemployed and the probability of saving recorded double-digit falls and the drop in the probability of saving index exceeded 20%.

Consumer Confidence Index



Retail sales volume contracted by 3.8% yoy.

Calendar adjusted retail sales volume decreased by 3.8% in March compared to the same month of the previous year, declining for seven consecutive months. On the other hand, seasonal and calendar adjusted retail turnover at current prices increased by 3% in March 2019 compared to the previous month.

House sales kept declining in April.

In Turkey, house sales declined by 18.1% yoy and came in at 84,403 units in April. Mortgage sales decreased by 61.3% in this period, while other sales posted a limited contraction by declining 2.1% compared to same period of last year. The annual decreases in house sales in Istanbul, Ankara and Izmir were 11.1%, 27.4% and 25.3%, respectively.

In March 2019, residential property price index (RPPI), which was announced by CBRT, increased by 0.4% mom. RPPI increased by 3.45% in nominal terms on an annual basis and decreased by 13.6% in real terms. In nominal terms house prices in İstanbul recorded an annual decrease of 1.70%. Prices posted annual increases of 1.77% and 4.12% in Ankara and Izmir, respectively.

Budget deficit was realized as 18.3 billion TRY in April.

Central government budget deficit surged up by 15.6 billion TRY to 18.3 billion TRY in April. In this period, budget revenues declined by 10.7% yoy to 57.7 billion TRY while budget expenditures increased by 12.8% and reached 76 billion TRY. Annual decline in budget revenues in April stemmed from the fall in portfolio revenues of Treasury which was driven by transfer of the CBRT's profit to the budget in advance. Primary budget balance, which gave a surplus of 356 million TRY in April 2018, posted a deficit of 13.2 billion TRY in the same month of this year.

Central government budget deficit, which was 23.2 billion TRY in January-April 2018, was realized as 54.5 billion TRY in the same period of this year. Primary

budget deficit became 16 billion TRY.

Central Government Budget

	January-April		%
	2018	2019	
Expenditures	255.2	330.4	29.5
Interest Expenditures	25.4	38.4	51.5
Non-Interest Expenditures	229.8	292.0	27.0
Revenues	232.0	276.0	18.9
Tax Revenues	190.9	203.0	6.4
Other Revenues	41.2	72.9	77.0
Budget Balance	-23.2	-54.5	--
Primary Balance	2.2	-16.0	-

Foreign trade deficit came in at 3 billion USD in April.

The contraction in foreign trade continued in April. In this period, exports increased by 4.6% yoy to 14.5 billion USD, while imports declined by 15.1% yoy to 17.5 billion USD. Thus, foreign trade deficit was realized at 3 billion USD, narrowing by 55.6% compared to the same period of the previous year. Import coverage ratio, which was 67.4% in the same month of the last year, reached 82.9% in April 2019.

According to the 12-month cumulative figures, export volume saw its new historical high level with 169.6 billion USD in April while import volume declined to 2-year low with 207.1 billion USD.

(billion USD)	April		Change (%)
	2018	2019	
Exports	13.8	14.5	4.6
Imports	20.6	17.5	-15.1
Foreign Trade Deficit	-6.7	-3.0	-55.6
Import Coverage (%)	67.4	82.9	-

According to the provisional data announced by the Ministry of Commerce, the foreign trade deficit continued to contract on an annual basis in May. In this period, exports increased by 11.5%, while imports decreased by 19.9%. Thus, foreign trade deficit narrowed by 78.1%.

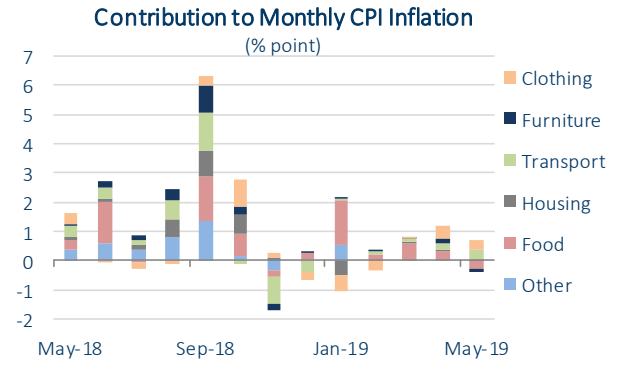
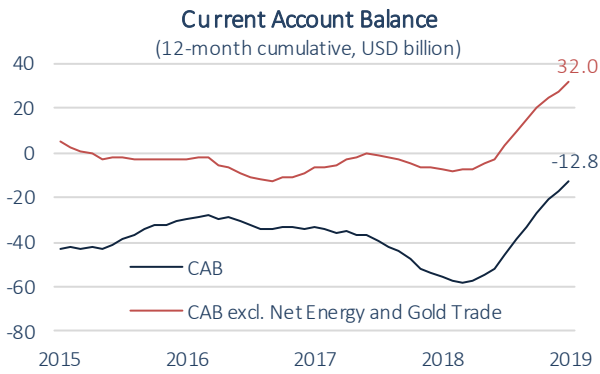
Current account deficit was 589 million USD in March.

Current account deficit kept declining in March due to ongoing slowdown in economic activity. In the third month of the year, current account deficit decreased by 4.1 billion USD (87.6%) compared to the same month of the previous year and was realized as 589 million USD. Current account balance excluding net energy and gold trade gave a surplus of 3.5 billion USD.

According to the 12-month cumulative figures, current account deficit declined to 12.8 billion USD, the lowest level since 2009. Current account balance excluding net energy and gold trade reached 32 billion USD in the same

Source: Turkstat, Datastream, Ministry of Trade

period.



Capital inflows in portfolio investments continued in March thanks to eurobond issuances. In the first quarter of the year, the portfolio investments recorded a net capital inflow of 9.2 billion USD.

CPI inflation came in below expectations.

In May, CPI increased below market expectations by 0.95% on a monthly basis. According to the Reuters' survey, the monthly increase in CPI was expected to be 1.3%. During this period, Domestic PPI (D-PPI) also rose by 2.67% mom.

Having remained below 20% since February, annual CPI inflation dropped to 18.71% in May. Annual D-PPI inflation, which followed an upward trend since March, decreased to 28.71% in May.

May (change %)	CPI		D-PPI	
	2018	2019	2018	2019
Monthly	1.62	0.95	3.79	2.67
Year-to-Date	6.39	4.99	12.12	7.99
Annual	12.15	18.71	20.16	28.71
Annual Average	11.10	19.91	15.80	32.85

Prices of all main expenditure groups excluding food and non-alcoholic beverages and furnishings increased on a monthly basis in May. Due to the tax adjustments in tobacco products in early May, prices of alcoholic beverages and tobacco increased by 8.9% mom, contributing 39 bps to the monthly inflation. Transportation group also added 36 bps to the monthly CPI inflation, mainly due to the 3.8% increase in motor vehicle prices. These two items were the largest contributors to the monthly consumer inflation. In the clothing and footwear group, prices rose by 4.2% on a monthly basis due to the seasonality. On the other hand, the food and non-alcoholic beverage group limited monthly CPI inflation by 29 bps due to the 15% fall in fresh fruit and vegetable prices.

	30/Apr	31/May	Change
5-Y CDS (basis points)	450	484	34 bps ▲
TR 2-Y Benchmark Yield	20.92%	24.97%	405 bps ▲
BIST-100	95,416	90,590	-5.1% ▼
USD/TRY	5.9617	5.8372	-2.1% ▼
EUR/TRY	6.6851	6.5304	-2.3% ▼
Currency Basket*	6.3234	6.1838	-2.2% ▼

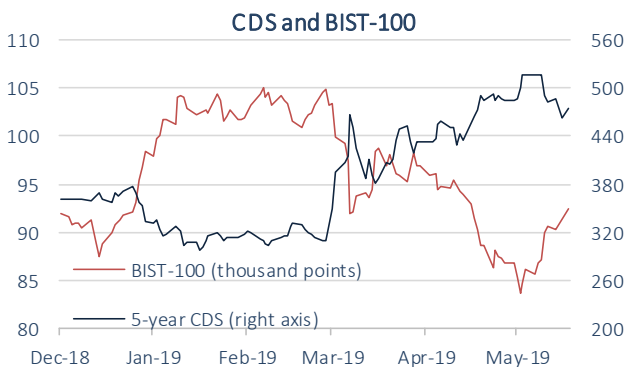
(*) (0.5 USD/TL + 0.5 EUR/TL)

Domestic markets...

In addition to the failed negotiations between US and China, the rise in geopolitical tensions in the Middle East affected global risk appetite in May. In this environment, TRY denominated assets decoupled negatively as the concerns about Turkey-US relations heightened and cancellation of mayoral election in Istanbul. Also, news on Central Bank reserves and uncertainty on CBRT's monetary policy path was also effective in the deterioration of risk perception towards Turkey. On the other hand, domestic markets recovered in the end of May due to positive expectations about US-Turkey relations and decline in oil prices.

CBRT made additional tightening.

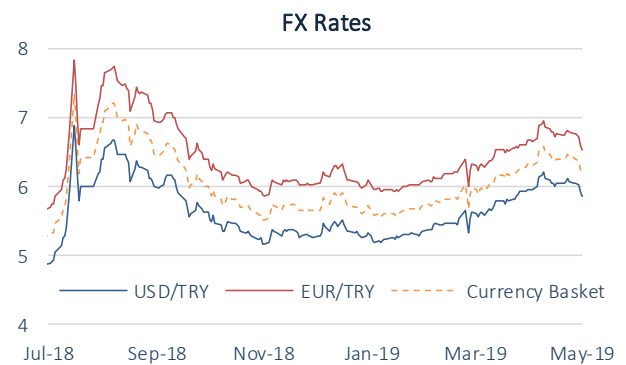
CBRT took new measures as the volatility in domestic markets heightened in May. Suspending one week repo auctions on May 9, CBRT aimed to limit the depreciation in TRY by raising the funding cost. The central bank restarted to fund market via weekly repo auctions on May 21. CBRT also announced on May 9 that the upper limit for the FX maintenance facility within the reserve options mechanism has been lowered from 40% to 30% and reserve requirement ratios for FX liabilities have been increased by 100 basis points for all maturity brackets. Having raised reserve requirement ratios for FX deposits/participation funds by 200 basis points for all maturity brackets on May 27, CBRT withdrew 4.4 billion USD of FX liquidity and 7.2 billion TRY liquidity from the market. The said steps taken in order to maintain financial stability are also expected to support CBRT reserves.



The sharp fall in stock market...

Turkey's 5-year CDS risk premium reached 515 as of May 24 due to the selling pressure in global markets and developments in domestic markets. Having declined in parallel to recovery in risk perception towards Turkey, the index was at 484 in the end of the month.

The deterioration in risk perception led to decline in the stock market. On the other hand, the fall in BIST-100 index was limited by the Capital Markets Board's regulation that standard funds under pension funds have to invest at least 10% of its portfolio to stocks. Declining the lowest level of more than 2 years on May 23, the index declined by 5.1% mom and closed the month at 90,590.



Volatile course in exchange rates...

USD/TL rose to 6.24 on May 9 with the cancellation of mayoral elections in Istanbul and uncertainties about the future of US relations. Turkish Lira decoupled positively from currencies of other emerging market economies due to the positive expectations about US-Turkey relations reemerged as of the second half of the month. USD/TL was at 5.8372 at the end of the month.

Rapid rise in interest rates...

Sales pressure on TRY-denominated assets weighed more on bond market. 2-year benchmark bond yield, which rose by 405 bps compared to the end of April, came in at 24.97% as of May 31.

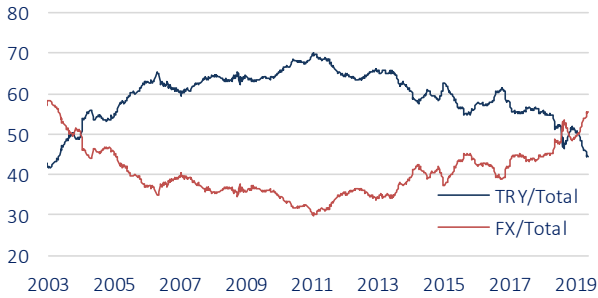
Source: CBRT, Datastream, Reuters, BIST

Banking Sector

The share of FX deposits rose to 55.5%.

According to the Weekly Bulletin published by the BRSA, as of May 24, deposit volume increased by 18.6% yoy and by 13.7% compared to the end of 2018, reaching to 2,324 billion TRY. While TRY deposits declined by 1.7% to 1,033 billion TRY compared to year-end, FX deposits in USD terms expanded by 12.5% in the same period. Accordingly, the share of FX deposits in total deposits, which was 55.5%, hovered around its highest level since April 2003.

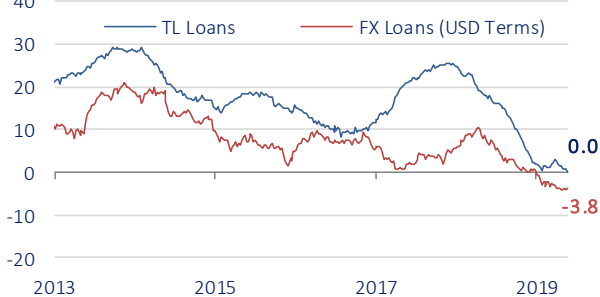
Currency Composition of Deposits
(%)



Demand for loans remained weak.

The weak course of domestic loan demand continued in the second quarter of the year. As of May 24, TRY loan volume remained unchanged on an annual basis, while FX loans expanded by 24.3%. On the other hand, FX loans in USD terms contracted by 3.8% in this period. Thus, total loan volume expanded by 8.9% yoy and reached 2,583 billion TRY. Analyzing by the year-end figures, TRY loans rose by 4.2%, while FX loans in USD terms decreased by 1.7%.

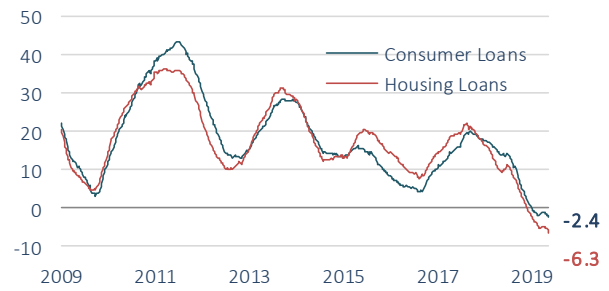
Loan Growth
(annual % change)



The annual fall in housing loans reached 6.3%.

As of May 24, consumer loans declined by 2.4% compared to the same period of the previous year, indicating that contraction in consumer loans since the beginning of the year continued. In this period, the fall in vehicle loans reached 15.5% in line with the ongoing negative outlook in the automotive market, while the annual decline in housing loans was 6.3%. On the other hand, personal finance loans and consumer credit cards increased by 1.8% and 13.3%, respectively.

Consumer Loans
(annual % change)



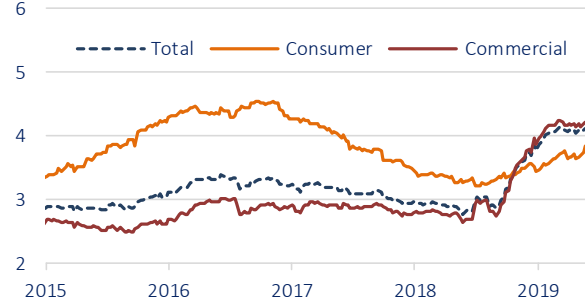
NPL ratio was 4.12%.

Having increased by 43.4 billion TRY in a year, gross non-performing loans rose to 110.9 billion TRY as of May 24. In this period, NPL ratio increased by 135 basis points to 4.12% on annual basis. The said ratio increased by 57 basis points to 3.83% for consumer loans, while it surged up by 159 basis points to 4.22% for commercial loans.

Net foreign currency position...

As of May 24, banks' on-balance sheet FX position was (-) 46,496 million USD, while off-balance sheet FX position was (+)48,316 million USD. Hence, banking sector's net FX position was realized as (+) 1,820 million USD.

Non-performing Loans
(%)



Source: BRSA Weekly Bulletin

Concluding Remarks

Global markets experienced the biggest turmoil of this year in May as trade talks between the US and China collapsed just after the two sides had seemed close to a deal. In the following period, the US held a relatively moderate attitude, which in turn supported markets as of the first weeks of June.

The negative impact caused by the protectionist trade measures on the real economy has also become evident. Although global economic activity surpassed expectations in the first quarter of the year, leading indicators for the second quarter have suggested that this recovery was largely based on temporary factors. These concerns about global growth have pushed oil prices down. They also supported the dovish expectations for the monetary policies of the major central banks, which are currently on hold.

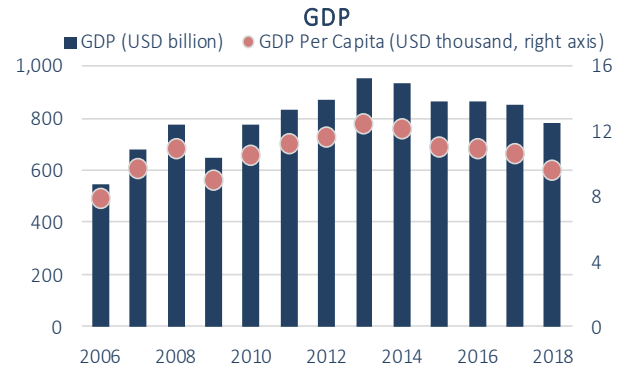
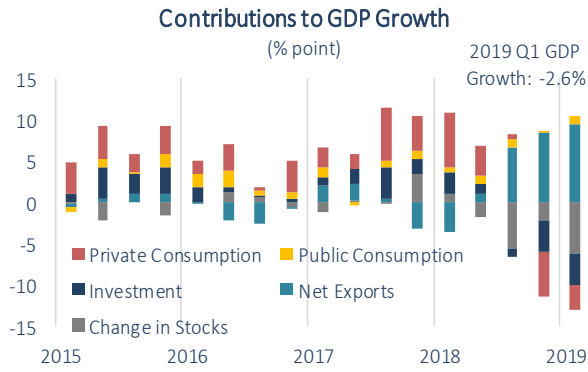
In Turkey, industrial production declined by 4.8% yoy in the first quarter of the year. Deterioration in labor market is also noteworthy. On the other hand, the current account balance continued to improve due to the weakening domestic demand and the increase in exports. In March, 12-month cumulative current account deficit fell to its lowest level in more than 9 years.

Leading indicators for the second quarter have also pointed to a weak economic activity. Manufacturing PMI remained below the 50 threshold level in May, marking the 14th straight contraction in the sector. Confidence indices painted a negative picture for this period as well. On the fiscal policy front, data for the first four months of the year showed that the anticipated normalization has not yet been achieved. However, the fact that inflation came in below market expectations in April and May was recorded as positive developments.

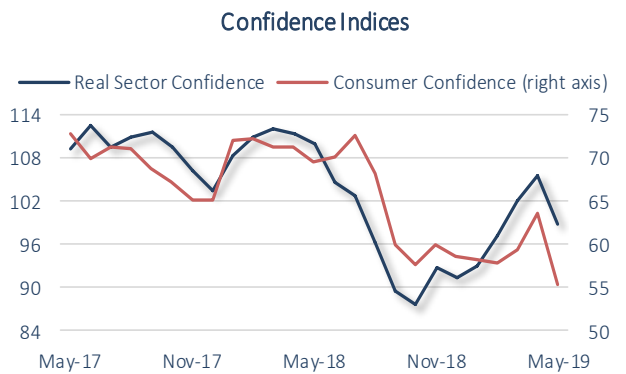
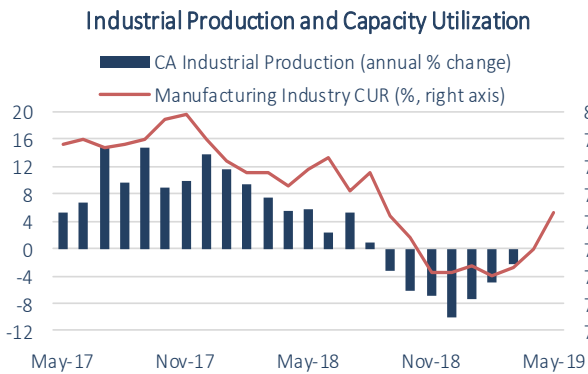
Forecasts (%)	2018 (A)	2019
Growth	2.6	1.0
Current Account Deficit/GDP	3.5	2.0
Inflation (year-end)	20,3	16.0

(A) Actual

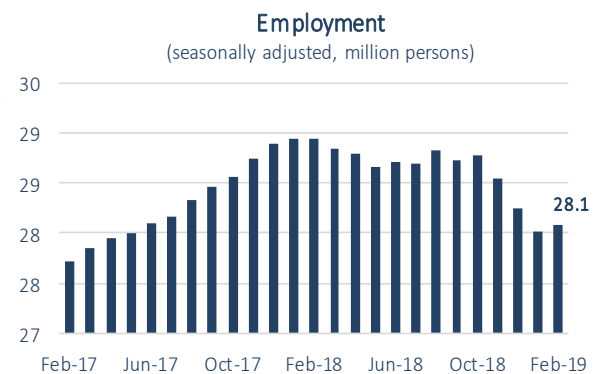
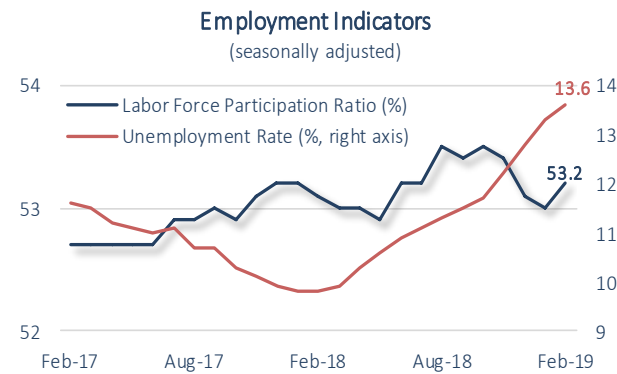
Growth



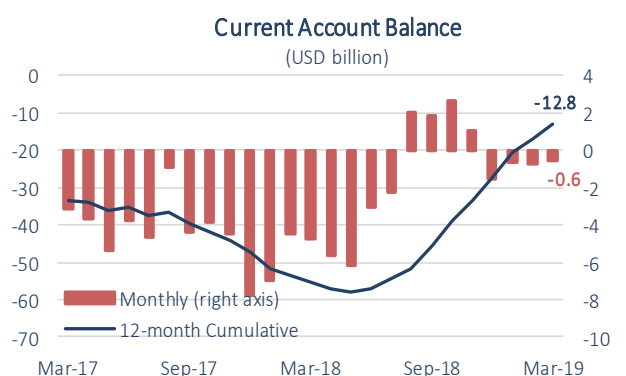
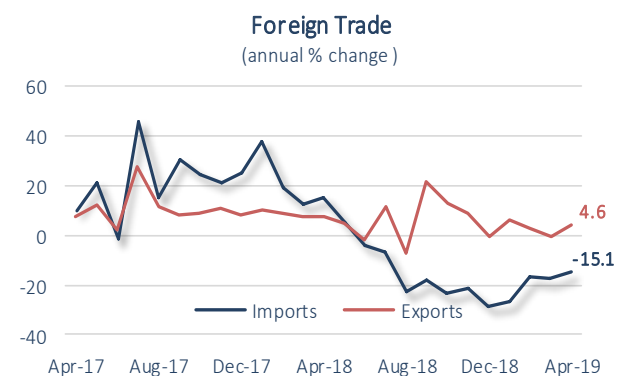
Leading Indicators



Labor Market



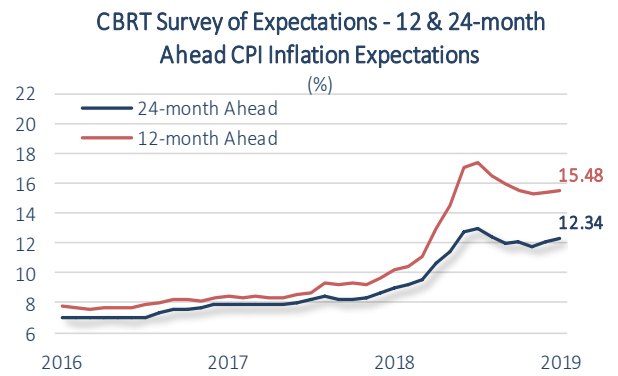
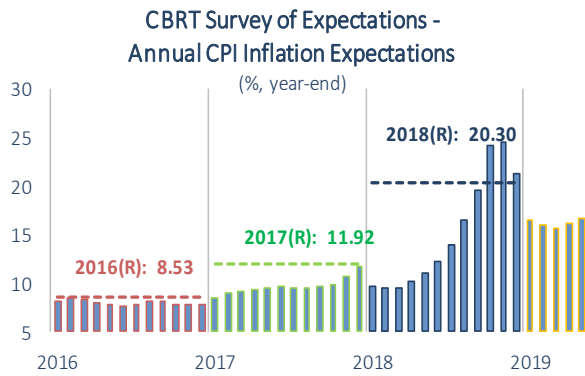
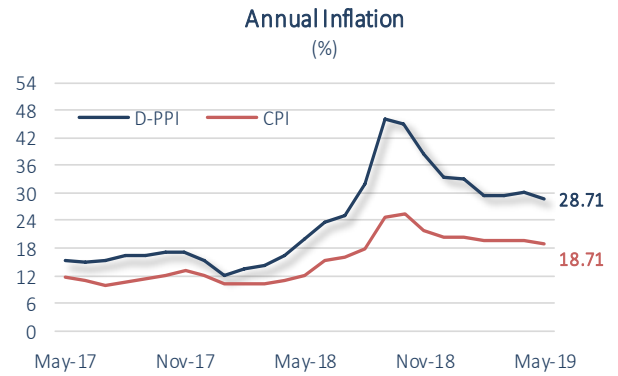
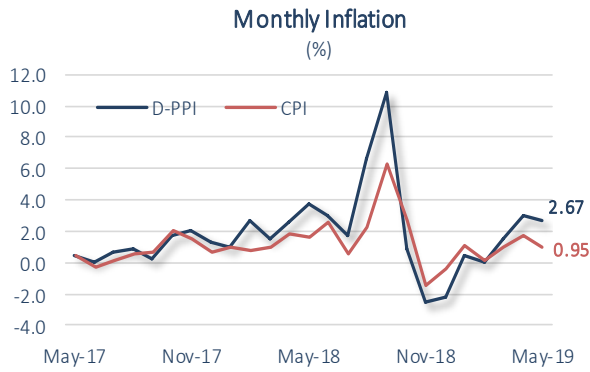
Foreign Trade and Current Account Balance



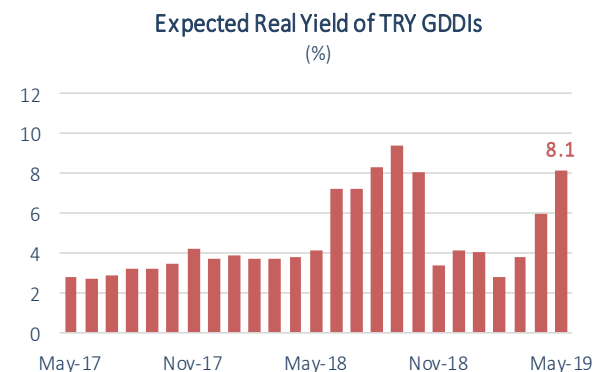
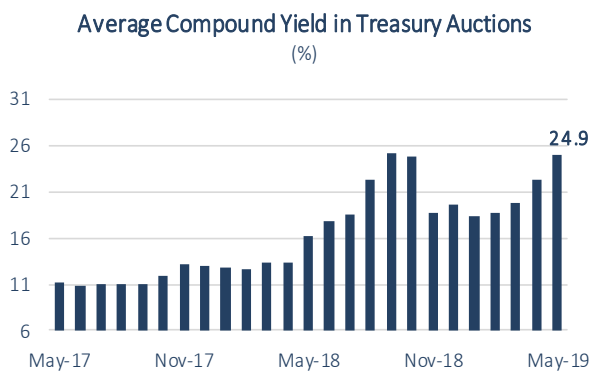
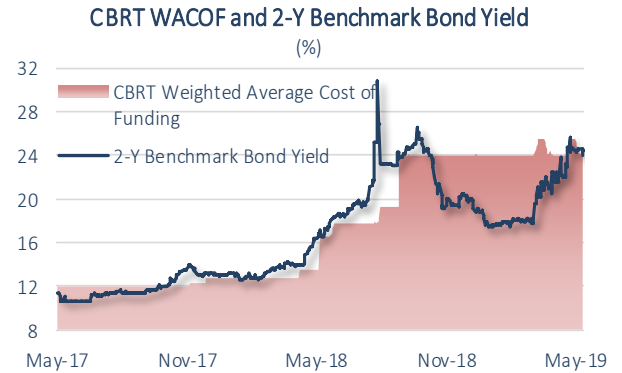
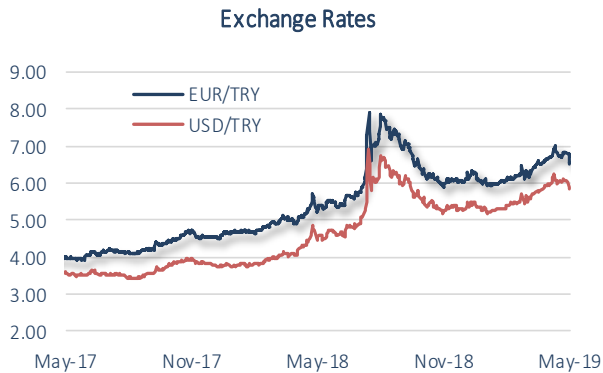
(CA) Calendar adjusted

Source: Datastream, CBRT, Turkstat

Inflation



Foreign Exchange and Bond Market



Turkish Economy - Macroeconomic Indicators

Growth	2014	2015	2016	2017	2018	19-Q1		
GDP (USD billion)	935	862	863	851	784	170		
GDP (TRY billion)	2,045	2,339	2,609	3,107	3,701	915		
GDP Growth Rate (%)	5.2	6.1	3.2	7.4	2.6	-2.6		
Inflation (%)						Mar-19	Apr-19	May-19
CPI (annual)	8.17	8.81	8.53	11.92	20.30	19.71	19.50	18.71
Domestic PPI (annual)	6.36	5.71	9.94	15.47	33.64	29.64	30.12	28.71
Seasonally Adjusted Labor Market Figures						Jan-19	Feb-19	
Unemployment Rate (%)	10.3	10.2	12.0	9.9	12.8	13.30	13.60	
Labor Force Participation Rate (%)	51.0	51.7	52.4	53.2	53.1	53.00	53.20	
FX Rates						Mar-19	Apr-19	May-19
CPI Based Real Effective Exchange Rate	105.9	99.2	93.6	86.3	76.3	75.1	72.7	69.8
USD/TRY	2.3378	2.9189	3.5176	3.7916	5.3199	5.6496	5.9695	5.8357
EUR/TRY	2.8288	3.1708	3.7102	4.5530	6.0815	6.3437	6.6900	6.5030
Currency Basket (0.5*EUR+0.5*USD)	2.5833	3.0448	3.6139	4.1723	5.7007	5.9966	6.3298	6.1693
Foreign Trade Balance⁽¹⁾ (USD billion)						Feb-19	Mar-19	Apr-19
Exports	157.6	143.8	142.5	157.0	167.9	169.1	169.0	169.6
Imports	242.2	207.2	198.6	233.8	223.0	214.0	210.2	207.1
Foreign Trade Balance	-84.6	-63.4	-56.1	-76.8	-55.1	-44.9	-41.2	-37.4
Import Coverage Ratio (%)	65.1	69.4	71.8	67.1	75.3	79.0	80.4	81.9
Balance of Payments⁽¹⁾ (USD billion)						Jan-19	Feb-19	Mar-19
Current Account Balance	-43.6	-32.1	-33.1	-47.3	-27.1	-20.7	-17.0	-12.8
Capital and Financial Accounts	-43.2	-22.7	-22.0	-46.7	-9.9	-4.8	-1.4	-4.4
Direct Investments (net)	-6.3	-14.2	-10.8	-8.8	-9.4	-9.8	-10.6	-10.4
Portfolio Investments (net)	-20.2	15.5	-6.3	-24.5	2.9	1.8	-0.3	-3.8
Other Investments (net)	-16.2	-12.1	-5.7	-5.2	7.0	14.4	17.6	18.9
Reserve Assets (net)	-0.5	-11.8	0.8	-8.2	-10.4	-11.2	-8.1	-9.0
Net Errors and Omissions	0.5	9.5	11.1	0.6	17.2	15.8	15.5	8.4
Current Account Balance/GDP (%)	-4.7	-3.7	-3.8	-5.6	-3.5	-	-	-
Budget⁽²⁾⁽³⁾ (TRY billion)						Feb-19	Mar-19	Apr-19
Expenditures	448.8	506.3	584.1	678.3	830.5	175.6	254.4	330.4
Interest Expenditures	49.9	53.0	50.2	56.7	74.0	22.0	33.4	38.4
Non-interest Expenditures	398.8	453.3	533.8	621.6	756.5	153.6	221.1	292.0
Revenues	425.4	482.8	554.1	630.5	757.8	163.9	218.3	276.0
Tax Revenues	352.5	407.8	459.0	536.6	621.3	113.2	154.3	203.0
Budget Balance	-23.4	-23.5	-29.9	-47.8	-72.6	-11.7	-36.2	-54.5
Primary Balance	26.5	29.5	20.3	8.9	1.3	10.3	-2.8	-16.0
Budget Balance/GDP (%)	-1.1	-1.0	-1.1	-1.5	-2.0	-	-	-
Central Government Debt Stock (TRY billion)						Feb-19	Mar-19	Apr-19
Domestic Debt Stock	414.6	440.1	468.6	535.4	586.1	615.2	623.9	653.1
External Debt Stock	197.9	238.1	291.3	341.0	480.6	511.1	538.5	557.4
Total Debt Stock	612.5	678.2	760.0	876.5	1,067.1	1,126.2	1,162.4	1,210.6

(1) 12-month cumulative

(2) Year-to-date cumulative

(3) According to Central Government Budget

BANKING SECTOR ACCORDING TO BRSA's MONTHLY BULLETIN FIGURES

(TRY billion)	2014	2015	2016	2017	2018	Mar.19	Apr.19	Change ⁽¹⁾
TOTAL ASSETS	1,994	2,357	2,731	3,258	3,867	4,139	4,287	10.9
Loans	1,241	1,485	1,734	2,098	2,395	2,518	2,564	7.1
TRY Loans	881	1,013	1,131	1,414	1,439	1,508	1,504	4.5
Share (%)	71.0	68.2	65.2	67.4	60.1	59.9	58.6	-
FX Loans	360	472	603	684	956	1,009	1,060	10.9
Share (%)	29.0	31.8	34.8	32.6	39.9	40.1	41.4	-
Non-performing Loans	36.4	47.5	58.2	64.0	96.6	106.4	108.6	12.4
Non-performing Loan Rate (%)	2.9	3.1	3.2	3.0	3.9	4.1	4.1	-
Securities	302	330	352	402	478	531	566	18.5
TOTAL LIABILITIES	1,994	2,357	2,731	3,258	3,867	4,139	4,287	10.9
Deposits	1,053	1,245	1,454	1,711	2,036	2,208	2,273	11.6
TRY Deposits	661	715	845	955	1,042	1,022	1,036	-0.5
Share (%)	62.8	57.4	58.1	55.8	51.2	46.3	45.6	-
FX Deposits	391	530	609	756	994	1,186	1,236	24.4
Share (%)	37.2	42.6	41.9	44.2	48.8	53.7	54.4	-
Securities Issued	89	98	116	145	174	209	212	21.8
Payables to Banks	293	361	418	475	563	593	611	8.5
Funds from Repo Transactions	137	157	138	99	97	174	143	47.0
SHAREHOLDERS' EQUITY	232	262	300	359	421	433	440	4.4
Profit (Loss) of the Period	24.6	26.1	37.5	49.1	53.5	12.4	16.2	-
RATIOS (%)								
Loans/GDP	60.7	63.5	66.5	67.6	64.7			
Loans/Assets	62.2	63.0	63.5	64.4	61.9	60.8	59.8	-
Securities/Assets	15.2	14.0	12.9	12.3	12.4	12.8	13.2	-
Deposits/Liabilities	52.8	52.8	53.2	52.5	52.6	53.3	53.0	-
Loans/Deposits	117.9	119.2	119.3	122.6	117.6	114.1	112.8	-
Capital Adequacy (%)	16.3	15.6	15.6	16.9	17.3	16.4	16.9	-

(1) Year-to-date % change

Source: BRSA, Turkstat

Our reports are available on our website <https://research.isbank.com.tr>

LEGAL NOTICE

This report has been prepared by Türkiye İş Bankası A.Ş. economists and analysts by using the information from publicly available sources believed to be reliable, solely for information purposes; and they are not intended to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The views, opinions and analyses expressed do not represent the official standing of Türkiye İş Bankası A.Ş. and are personal views and opinions of the analysts and economists who prepare the report. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this report. All information contained in this report is subject to change without notice, Türkiye İş Bankası A.Ş. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report is copyright-protected. Reproducing, publishing and/or distributing this report in whole or in part is therefore prohibited. All rights reserved.