



May 2018

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

Monetary policies of advanced economies have once again risen to the top of the market agenda in the last weeks of April. Geopolitical developments continued to be monitored closely while the news flow on protectionist policies eased somewhat.

In April, the Fed officials' statements and economic data boosted the possibility of interest rate hikes. In line with this, the US dollar strengthened and 10-year US Treasury bond yield exceeded 3%. At the May meeting, the Fed did not make any changes to its monetary policy as expected. The statement released after the meeting indicated that the Fed is not eager to speed up its interest rate hikes.

The ECB left monetary policy on hold as anticipated at its April meeting. EUR/USD parity remained under downward pressure due to the signs of loss of momentum in the Euro Area economy and concerns about the "strong euro".

The odds on a May rate hike in the UK fell sharply as inflation remained below expectations and BoE Governor Carney hinted less frequent rate hikes in a wide range of time.

First quarter growth data of the leading economies have been closely followed. In the first quarter of 2018, the US and Euro Area lost some momentum compared to the last quarter of 2017, while growth in the Chinese economy remained flat at 6.8%.

The IMF kept its growth forecasts for the global economy unchanged at 3.9% for both 2018 and 2019. The Fund revised 2018 growth forecast for Turkey up to 4.4% from 4.3%.

Oil prices have hit their highest level since November 2014, driven by increased geopolitical risks.

Turkish Economy

Recovery in labor market continued in January period. Unemployment rate decreased by 2.2 points compared to the same period of the previous year and stood at 10.8%.

Having increased by 12% in January yoy, calendar adjusted industrial production rose by 9.9% in February and signaled an ongoing strong performance in the Q1.

Manufacturing PMI in April pointed to a contraction in the sector after more than a one year period.

In the first quarter of the year, foreign trade deficit widened by 64% yoy. According to the provisionary data, foreign trade deficit increased by 32.8% yoy in April.

Current account deficit came in at 4.2 billion USD in February, posting an annual rise of 61.8%. 12-month cumulative current account deficit reached 53.3 billion USD in this period.

Central government budget deficit surged by 36.9% yoy in Q1 and amounted to 20.4 billion TRY.

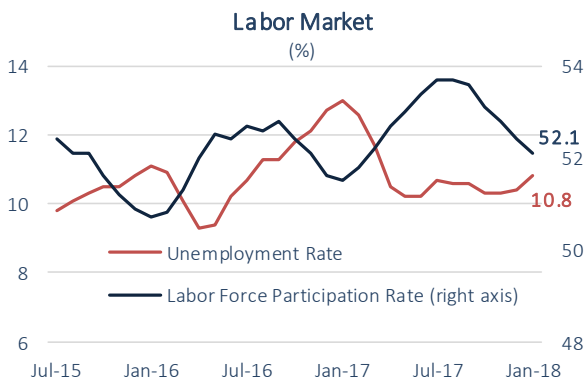
In April, monthly CPI increase exceeded market expectations and became 1.87%. Annual CPI inflation was 10.85% in this period, the highest level of this year.

CBRT's Monetary Policy Committee raised its late liquidity window rate by 75 bps to 13.5% at its meeting held on April 25.

Early elections decision and CBRT's rate hike alleviated the selling pressure on domestic markets. On the other hand, risk perception deteriorated following S&P's rating downgrade and inflation data.

Unemployment rate was 10.8%.

In January period, unemployment rate decreased by 2.2 points compared to the same period of the previous year and was realized as 10.8%. 1.4 million persons rise in total employment was behind this development. On the other hand, having declined for the last consecutive 5 months, labor force participation rate outpaced the levels seen last year and limited the fall in unemployment rate. In the same period, youth unemployment rate, covering the age group 15-24, contracted by 4.6 pp to 19.9%. Seasonally adjusted unemployment rate was flat on a monthly basis and remained at single digits with 9.9%.

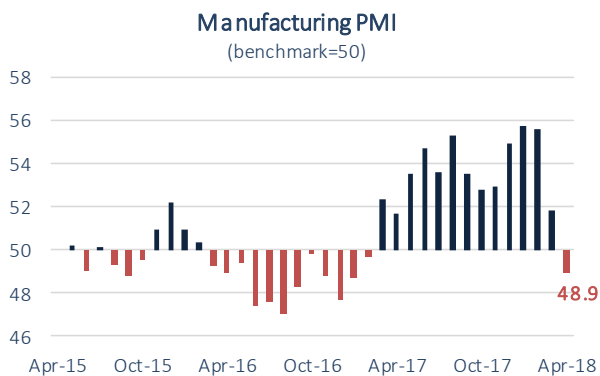


Industrial production continued its strong performance in February.

Calendar adjusted industrial production increased by 9.9% yoy in February. In this period, among the main industrial groups, capital goods production surged by 12.3% compared to the same month of the previous year. As being the item with the highest increase, it displayed a positive outlook for investment demand. Manufacturing industry grew by 10.4% in the same period. Among major industry groups, the item of durable consumer goods was the only one in which production declined. In the first two months of the year, rise in industrial production remained at 10.9% with the help of low base effect.

Manufacturing PMI indicated a contraction in the sector.

Manufacturing PMI, which was 51.8 in March, fell to 48.9 in April, signaling more challenging business conditions.



(*) Prices are adjusted for quality changes related to observed housing characteristics for Turkey in hedonic method

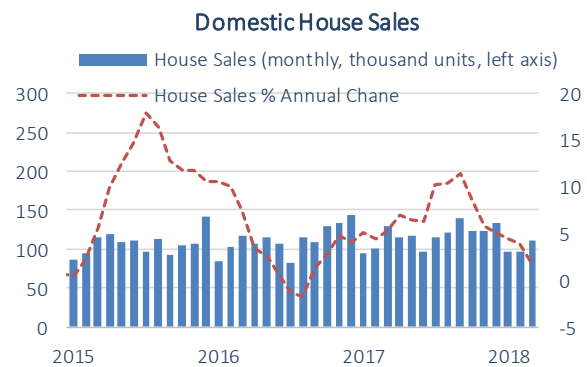
Survey respondents stated that slowdown in the sector was due to the market fluctuations. Slowdown in new orders and staff hiring drove the fall in index. On the other hand, high levels of output and export orders were regarded as positive developments.

Fall in confidence indices...

Real sector confidence index declined by 0.7 point mom to 111.2 in April. While there was an improvement in total amount of orders for the past 3 months, general business situation recorded a rapid deterioration. In this period, capacity utilization ratio in the manufacturing industry declined by 0.5 point compared to previous month and became 77.3%. Besides, sectoral confidence indices indicated that confidence in services, retail trade and construction sectors have worsened.

House sales declined by 14% yoy in March.

According to Turkstat, house sales decreased by 14% yoy to 110,905 in March. Mortgaged house sales contracted by 35% in this period while other sales had a limited decline with 0.5%. House sales to foreigners continued its upward trend and rose by 15.8%. Iraqi citizens continued to be the main customers.



According to the CBRT's housing price statistics, hedonic* house prices rose by 0.8% on a monthly basis and 9.5% yoy in February 2018. Thus, the rate of growth in housing prices remained below the inflation rate.

Weak domestic demand in white goods sector...

Downward trend in domestic white goods sales since the end of related tax incentives continued. Domestic sales fell by 24% compared to the same month of the previous year. In this period, exports rose by 9% to 1.58 million units. While domestic sales declined by 19%, exports increased 10% in the first quarter of 2018.

Budget posted a deficit of 20.4 billion TRY in the first quarter of the year.

The central government budget deficit increased by 3.6% yoy in March and amounted to 20.2 billion TRY. Revenues expanded more than expenditures in this period. First quarter budget performance was also weaker compared to the same period of the previous

Source: Datastream, Markit, Turkstat, CBRT

Central Government Budget

	January-March		%
	2017	2018	
Expenditures	159.7	187.9	17.7
Interest Expenditures	18.8	22.3	18.3
Non-Interest Expenditures	140.8	165.6	17.6
Revenues	144.7	167.4	15.7
Tax Revenues	121.6	145.8	19.9
Other Revenues	23.1	21.6	-6.4
Budget Balance	-14.9	-20.4	36.9
Primary Balance	3.9	1.9	-52.5

year. The central government budget deficit, which was 14.9 billion TRY in the January-March period of 2017, surged by 36.9% yoy to 20.4 billion TRY in the same period this year. The absence of privatization revenues in the first quarter of this year had a negative impact on budget balance. Tax revenues, on the other hand, continued to perform strongly. In the first quarter of the year, the annual growth rate of tax revenues almost reached 20%. Also, nearly 4 billion TRY was collected through debt and tax restructurings during this period providing further support for the budget revenues.

Foreign trade deficit continued to expand.

Foreign trade deficit remained broadly flat compared to February and became 5.9 billion USD in March, in line with the provisional data. On an annual basis, foreign trade deficit widened at a lower rate compared to previous months with 28.8%. During this period, exports increased by 7.7% yoy to 15.6 billion USD, while imports surged by 12.7% to 21.4 billion USD.

Foreign Trade Balance (USD billion)

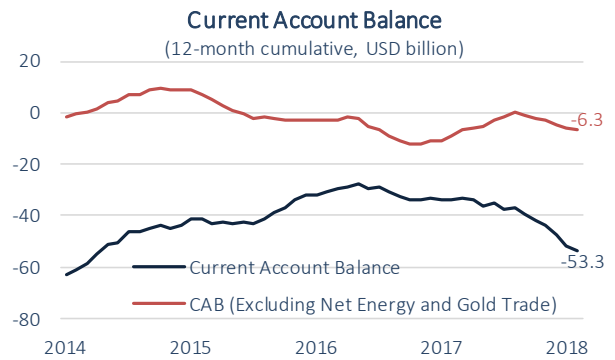
	April		Δ (%)	Jan.- Apr.		Δ (%)
	2017	2018		2017	2018	
Exports	12.8	13.9	8.6	50.6	55.1	8.8
Imports	17.8	20.5	15.4	68.2	82.4	20.8
Foreign Trade Balance	-5.0	-6.7	32.8	-17.6	-27.4	55.2
Import Coverage (%)	71.8	67.6	-	74.2	66.8	-

According to the provisional foreign trade data released by the Ministry of Customs and Trade, foreign trade deficit continued to widen on an annual basis and became 6.7 billion USD. During this period, exports increased by 8.6% yoy and reached 13.9 billion USD, while import volume surged by 15.4% to 20.5 billion USD. Thus, in the first four months of the year, exports and imports increased by 8.8% and 20.8% yoy, respectively.

Current account deficit was 4.2 billion USD in February.

Current account deficit came in at 4.2 billion USD in February, posting an annual increase of 61.8%. The widening in foreign trade deficit, which was largely due to higher oil prices compared to the previous year and

strong non-monetary gold imports, played a significant role in the rise of the current account deficit. Net non-monetary gold imports were 700 million USD higher than a year earlier. On the other hand, recovery in tourism revenues continued to limit the expansion in the current account deficit.



12-month cumulative current account deficit reached 53.3 billion USD in February, its highest level since April 2014. Current account deficit excluding net energy and gold trade was 6.3 billion USD during this period.

On the financing side of the current account deficit, weak course in foreign direct investments and loss of momentum in portfolio flows were notable. Other investments, which posted a solid inflow of 7.4 billion USD in January, contributed 3.1 billion USD to the financing of the current account deficit. Reserve assets recorded a limited decline of 263 million USD while net errors and omissions posted a capital inflow of 1.4 billion USD.

In April, inflation exceeded the expectations.

In April, monthly CPI increase exceeded market expectations and was realized as 1.87%. Monthly inflation forecast of the market was 1.6% in Reuters' survey and 1.23% in CBRT's Survey of Expectations. Besides, monthly D-PPI increase was 2.6% in April.

April	CPI		D-PPI		
	(change %)	2017	2018	2017	2018
Monthly		1.31	1.87	0.76	2.60
Year-to-Date		5.71	4.69	7.19	8.03
Annual		11.87	10.85	16.37	16.37
Annual Average		8.66	11.06	8.01	15.36

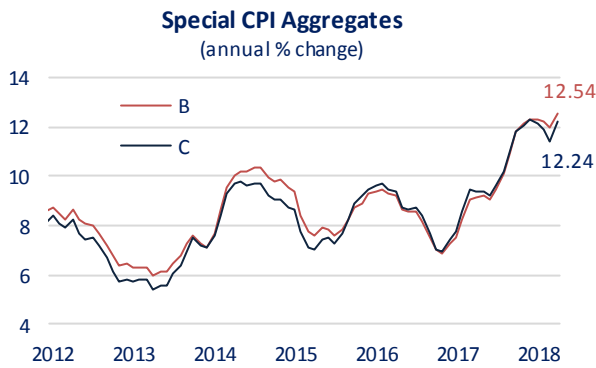
The downward trend in annual inflation since the beginning of 2018 came to an end in April. Annual CPI inflation was 10.85% in April, the highest level of this year. Annual increase in the D-PPI continued in April and reached 16.37%.

In April, prices in all major spending groups excluding food and non-alcoholic beverages and communication,

Source: Turkstat, Datastream, CBRT, Ministry of Customs and Trade

increased on a monthly basis. In this period, while clothing and footwear made the highest contribution to the monthly inflation, transportation also played a role in the CPI rise. Clothing and footwear, prices rising by 10.4% on a monthly basis due to seasonal factors contributed to CPI inflation by 66 bps.

Deceleration in B and C core inflation indicators, which are monitored closely by the CBRT, ended in April. While annual rise in B index was realized as 12.54% in April, annual increase in C index climbed to 12.24%. Upward move of core indicators, which exclude the items with volatile price courses such as energy and food, supports the view that inflation would remain strong in the following period.



B: excluding unprocessed food, energy, alcoholic beverages, tobacco and gold
C: excluding energy, food, non-alcoholic beverages, alcoholic beverages, tobacco and gold

CBRT revised up its inflation expectations to 8.4%.

CBRT's Monetary Policy Committee, at its meeting held on April 25, raised its late liquidity window (LLW) rate by 75 bps to 13.5%. In the press release published after the meeting, the current elevated levels of inflation and inflation expectations were underlined while the risks posed by the rising import prices on the pricing behaviour was pointed out. Accordingly, CBRT, at its second Inflation Report of 2018 published on April 30, revised its year-end inflation forecast for this year up to 8.4%, 0.5 points higher than the January estimate. 0.4 point of this upward revision in forecasts stemmed from the rise in import prices mainly due to oil prices and exchange rate developments. CBRT Governor Çetinkaya stated that the tight stance of monetary policy will be maintained with determination and inflation forecast was kept at 6.5% for 2019.

Monetary policy simplification in the upcoming period stands out on the agenda. This issue was included in CBRT's monetary policy meeting summary announced at the end of the month. CBRT Governor Murat Çetinkaya said that, in order to simplify the monetary policy, funding should be provided via a single rate which can increase the predictability. He also stated that they were very close to the final step on this issue.

Market's year-end inflation expectation was 10.1%.

According to the CBRT's Survey of Expectations released in April, GDP growth rate expectation for 2018 increased by 0.1 point to 4.7%. Year-end CPI inflation expectation, which was 9.5% in March, reached 10.1%, well above CBRT's year-end forecast.

The upward trend in the current account deficit in recent months mirrored in expectations in this period. The current account deficit expectation of the markets for 2018 increased by 2.6 billion USD mom to 50.8 billion USD. Year-end USD/TRY forecast, which was 4.10 in March's survey, rose to 4.22.

S&P cut Turkey's credit rating.

International credit rating agency S&P cut Turkey's "BB" foreign currency credit rating to "BB-". The outlook was announced as "stable". Inflation outlook and deterioration in current account as well as fiscal balances were listed as the main reasons for the credit rating cut. S&P stated that it would cut Turkey's credit rating further if deterioration in TRY continues, private sector fragility increases and fiscal balance worsens. Yet, it also added that country's rating would be upgraded if inflation rate approaches the 5% target and Turkey's external position improves in a sustainable manner.

Financial Markets

	30/Mar	30/Apr	Change
5-Y CDS (basis points)	191*	194	3 bps ▲
TR 2-Y Benchmark Yield	14.03%	14.29%	26 bps ▲
BIST-100	114,930	104,283	-9.3% ▼
USD/TRY	3.9614	4.0653	2.6% ▲
EUR/TRY	4.8719	4.9117	0.8% ▲
Currency Basket**	4.4167	4.4885	1.6% ▲

(*) As of 29 March (**) (0.5 USD/TRY + 0.5 EUR/TRY)

Early elections decision had a positive impact on markets.

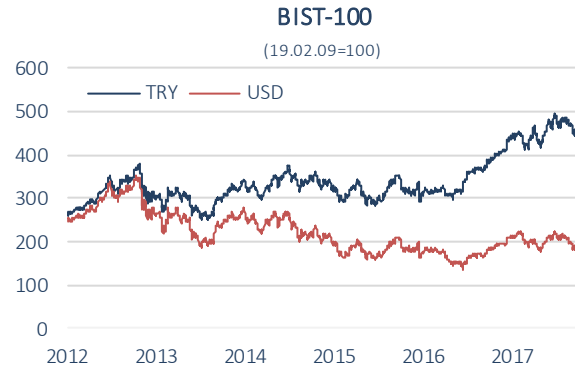
Global trade war fears, US' new sanctions on Russia and developments in Syria put downward pressure on domestic markets until the middle of the month.

Early presidential and parliamentary elections decision announced on April 18 supported the expectations that political uncertainties will ease in the coming period and therefore alleviated the selling pressure on domestic markets. Also CBRT's hike in LLW interest rate provided a boost to the domestic markets.

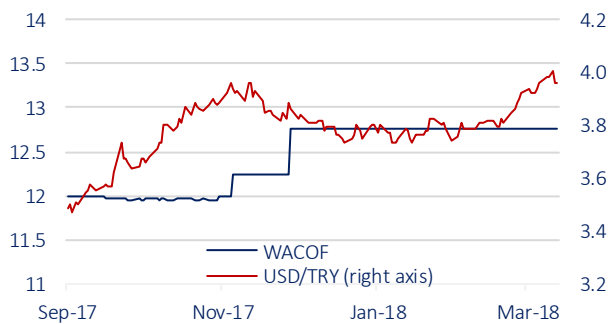
Volatile course in exchange rates...

TRY remained under pressure in April as in March due to the decreasing demand for TRY assets. TRY depreciated rapidly against the US dollar and euro. On April 11, USD/TRY and EUR/TRY hit historic high levels with 4.1920 and 5.1914, respectively. However, in the following days, early elections decision and CBRT's continuation of funding the markets via LLW after rate hike supported TRY. As of April 30, weighted average funding rate was realized as 13.5%, while USD/TRY and EUR/TRY stood at 4.07 and 4.91, respectively. On the other hand, S&P's rating downgrade and the strengthening trend of the US dollar in international markets weighed on TRY during first days of May.

displayed the worst performance since December 2013, BIST-100 index ended April at 104,283 declining by 9.3% on a monthly basis.



CBRT WACOF and USD/TRY



A sharp decline in the BIST-100 index...

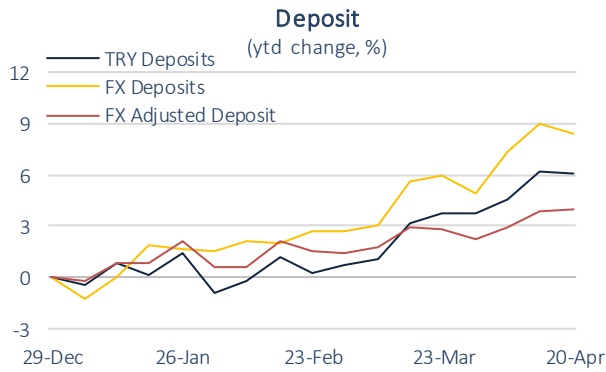
Stock markets remained under heavy selling pressure in April. In the first days of the month, TRY denominated assets decoupled negatively from other emerging countries' assets due to the geopolitical developments and Turkey-specific concerns. Although early elections decision supported the domestic markets, sales in global stock market indexes mirrored in BIST-100 index. Having

Source: CBRT, Datastream, Reuters, BIST

Banking Sector

Deposit volume increased by 7.2% compared to the end of 2017.

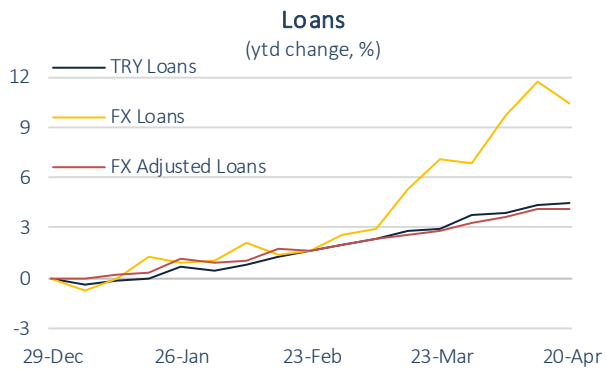
According to Weekly Bulletin published by BRSA, as of April 20, total deposit volume expanded by 7.2% ytd to 1,931 billion TRY. FX adjusted year-to-date expansion in total deposits became 4%. In this period, TRY deposits surged by 6.1% to 1,038 billion TRY while FX deposits in USD terms expanded by 1.5% and exceeded 221 billion TRY in this period.



On an annual basis, total deposit volume grew by 17.7%. In this period, TRY deposits and FX deposits in USD terms rose by 16.9% and 6.2%, respectively.

The annual loan growth was 20.6%.

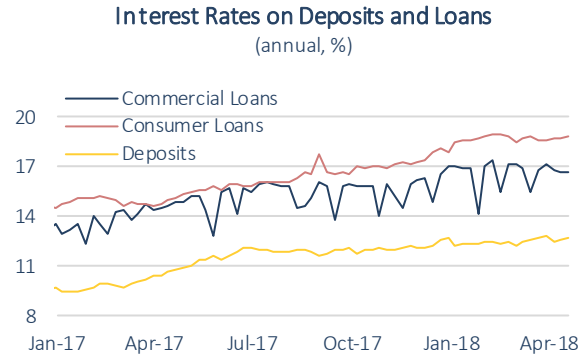
As of April 20 2018, total loan volume expanded by 6.5% compared to the year-end and reached 2,272 billion TRY. FX adjusted growth, on the other hand, decreased to 4.1%. While TRY loans increased by 4.5% in this period, FX loans in USD terms rose by 3.3%.



Having risen nearly by 20% annually since mid-February with the effect of exchange rate developments loan volume increased by 20.6% as of April 20. FX adjusted growth fell to 16.3% on annual basis. The declining trend observed in growth rates of TRY loans since the beginning of the year continued. The annual rise in TRY loans was 19.2%, the lowest level in one year.

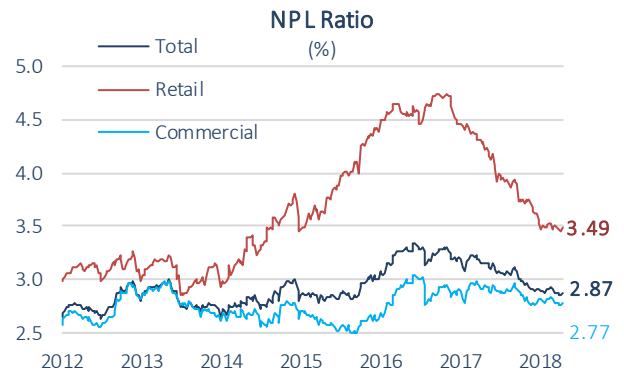
Volatility in financial markets put upward pressure on interest rates.

High course in inflation and exchange rates put an upward pressure on borrowing costs. On the other hand, deposit interest rates, which had an almost flat course since mid-2017, followed a slight upward trend in the recent period.



NPL ratio stood at 2.87%.

As of April 20, gross non-performing loans rose by 9.3% compared to the same period of previous year to 66.5 billion TRY. Having followed a downward trend since February due to the rise in loan volume along with the surge in exchange rates, NPL ratio experienced a limited rise and became 2.87% as of April 20. NPL ratios for consumer credits and commercial loans were realized as 3.49% and 2.77%, respectively.



Net foreign currency position...

As of April 20, banks' on-balance sheet FX position was (-) 45,183 million USD while off-balance sheet FX position was (+) 47,186 million USD. Hence, banking sector's net FX position became (+) 2,003 million USD.

Concluding Remarks

Expectations for monetary policies of advanced economies have once again risen to the top of the global agenda in the recent weeks. Protectionist trade policies led by the US and geopolitical developments have also continued to be watched closely.

Recently, market expectations for leading economies' monetary policies have gone through updates. In April, statements by the Fed officials and strong outlook in the US economy supported the expectations that the Fed will deliver a total of four rate hikes this year. On the other hand, signs accrue that ECB will not be able to conduct a fast normalization. Uncertainties over the exit strategy of the Bank of Japan increased as the Central Bank dropped timeframe for achieving its inflation target in its statements. In the UK, the probability attributed by the market participants to a May rate hike showed a rapid decline along with the inflation data and BoE Governor Carney's speech.

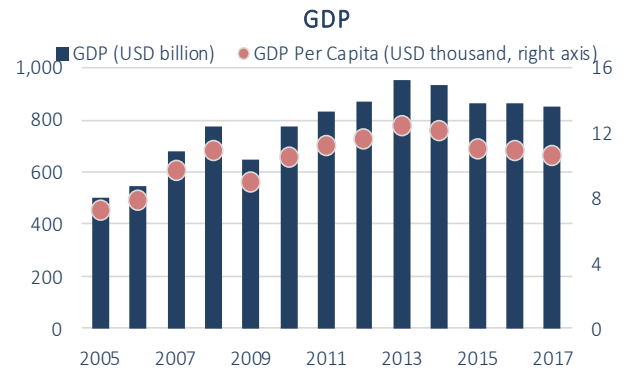
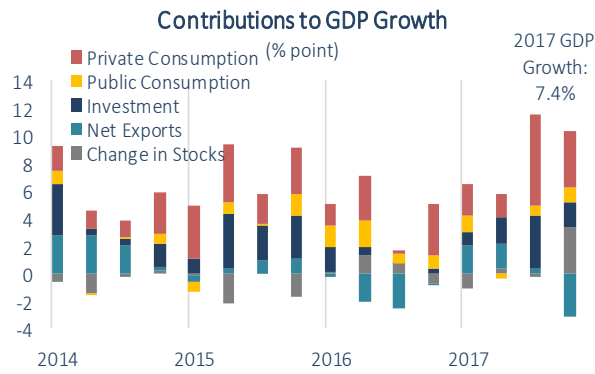
Geopolitical developments, except for the North Korea and South Korea talks, were negative for the risk sentiment as usual. The mounting Syria-related tensions between US-Russia in April and the US's harsh rhetoric on Iran led to increased volatility in the markets. Having seemingly eased somewhat in the last couple of weeks, the dispute between the US and China over the protectionist trade policies appears to continue.

In the first quarter of 2018, economic activity in Turkey has largely carried on the momentum achieved last year. Indeed, industrial production displayed a solid performance in the first two months of the year. PMI data were also strong in the first quarter. However, economic activity has showed clear signs of cooling in April. In this period, PMI data signaled contraction in manufacturing industry for the first time in more than one year and confidence indices were weaker in general. Inflation remained elevated in April despite tight monetary policy stance. On the fiscal front, the impact of further expansionary fiscal stimulus will be monitored closely. As elections are brought forward, a shorter pre-election period mitigates upside risks to the budget deficit in the medium-term.

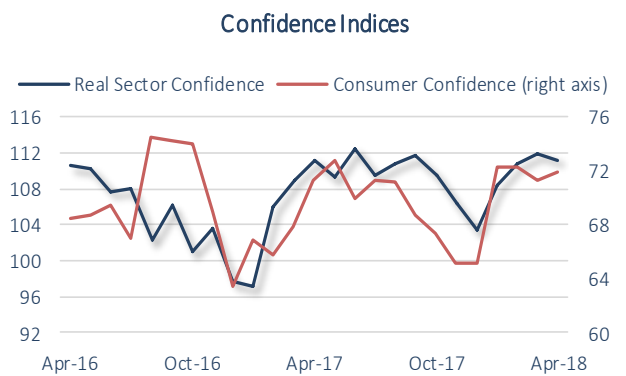
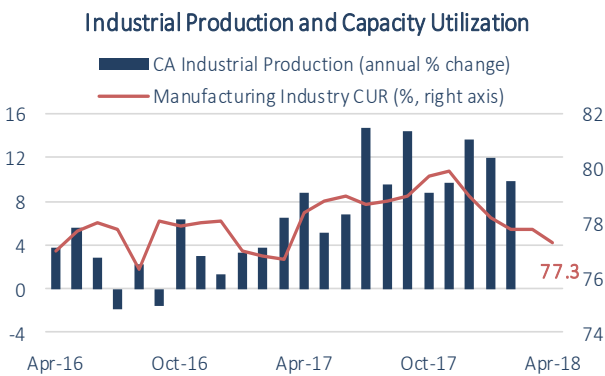
Forecasts (%)	2017 (R)	2018
Growth	7.4	4.1
Current Account Deficit/GDP	5.6	5.5
Inflation (year-end)	11.9	10.2

(R) Realization

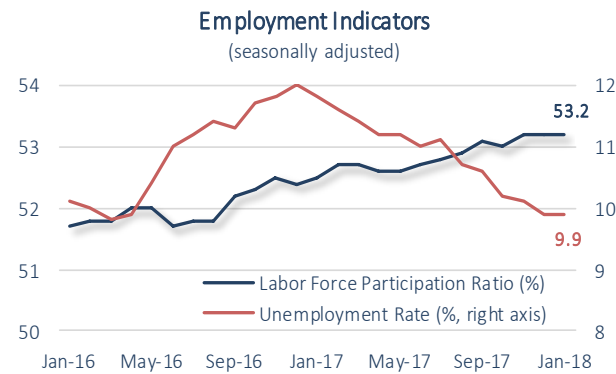
Growth



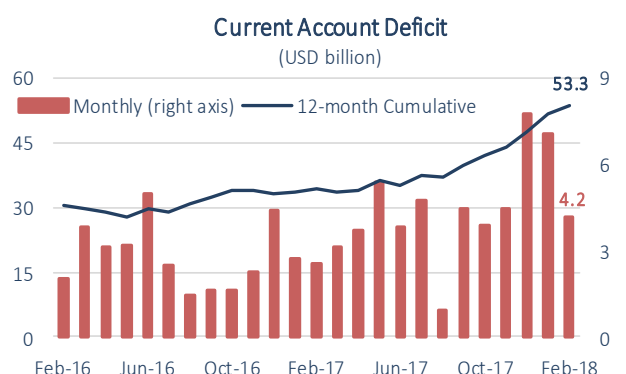
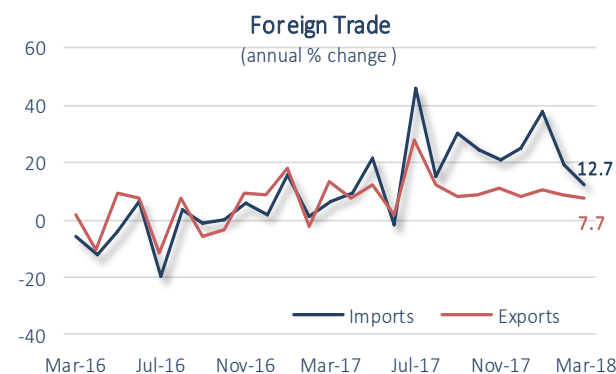
Leading Indicators



Labor Market



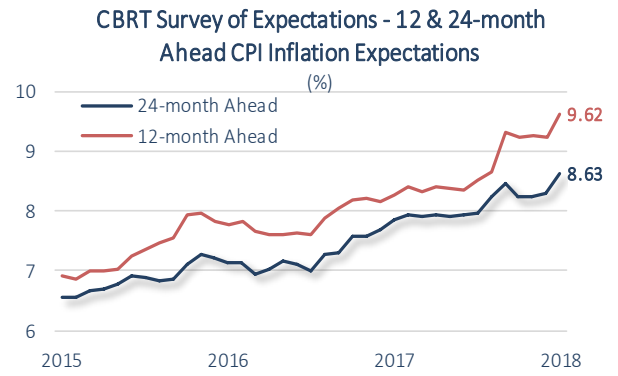
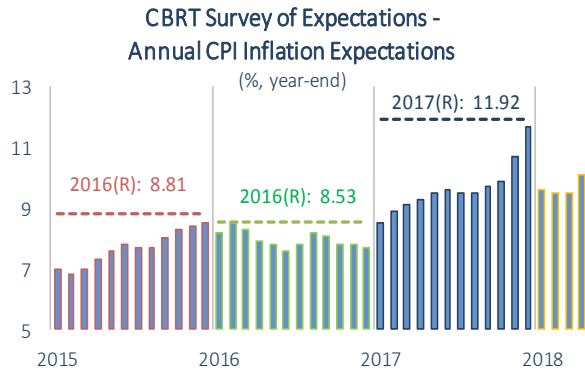
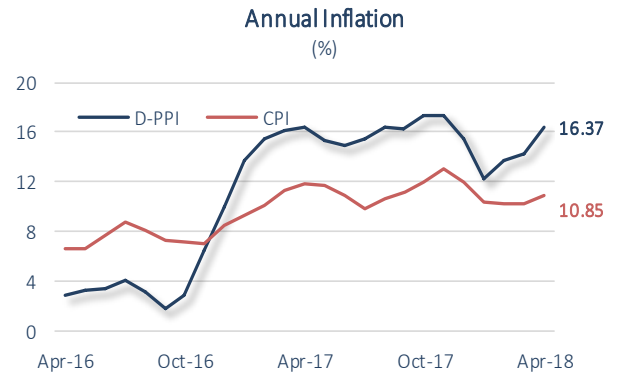
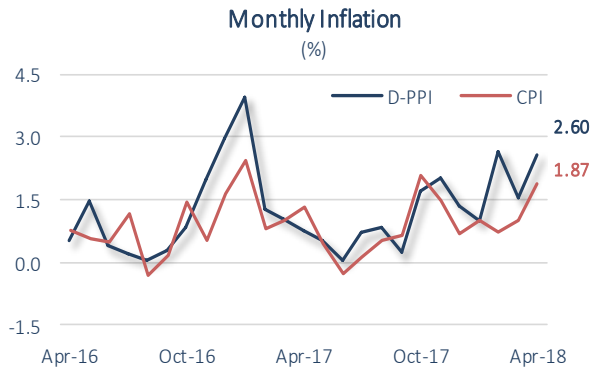
Foreign Trade and Current Account Balance



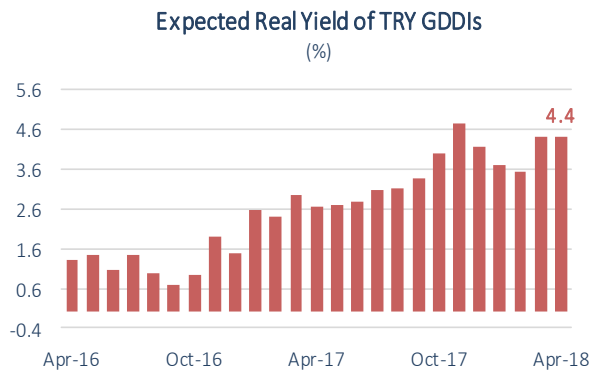
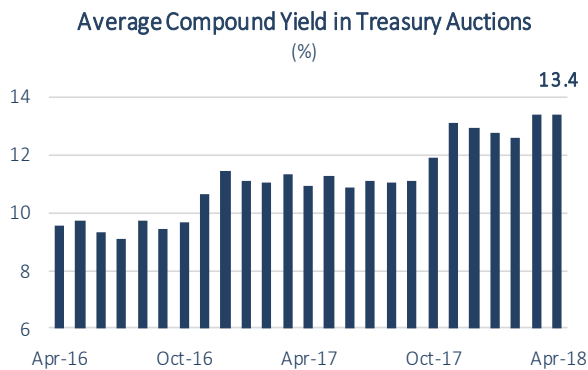
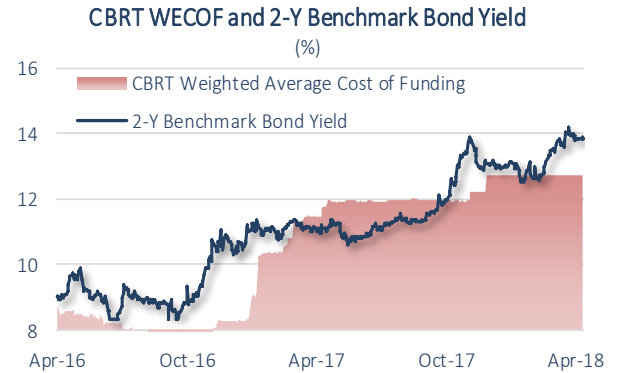
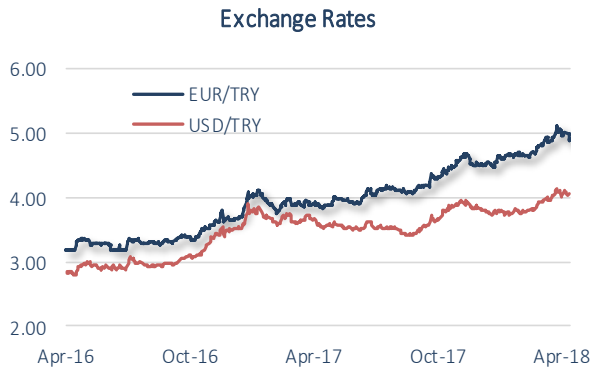
(CA) Calendar adjusted

Source: Datastream, CBRT, Turkstat

Inflation



Foreign Exchange and Bond Market



Turkish Economy - Macroeconomic Indicators

Growth	2013	2014	2015	2016	2017	18-Q1	18-Q2	18-Q3
GDP (USD billion)	950	935	862	863	851			
GDP (TRY billion)	1,810	2,045	2,339	2,609	3,105			
GDP Growth Rate (%)	8.5	5.2	6.1	3.2	7.4			
Inflation (%)						Feb-18	Mar-18	Apr-18
CPI (annual)	7.40	8.17	8.81	8.53	11.92	10.26	10.23	10.85
Domestic PPI (annual)	6.97	6.36	5.71	9.94	15.47	13.71	14.28	16.37
Seasonally Adjusted Labor Market Figures								Jan-18
Unemployment Rate (%)	9.1	10.3	10.2	12.0	9.9			9.90
Labor Force Participation Rate (%)	48.5	51.0	51.7	52.4	53.2			53.20
FX Rates						Feb-18	Mar-18	Apr-18
CPI Based Real Effective Exchange Rate	101.0	105.2	97.9	92.1	85.1	85.1	83.5	81.7
USD/TRY	2.1485	2.3378	2.9189	3.5176	3.7916	3.8065	3.9614	4.0653
EUR/TRY	2.9605	2.8288	3.1708	3.7102	4.5530	4.6426	4.8719	4.9117
Currency Basket (0.5*EUR+0.5*USD)	2.5545	2.5833	3.0448	3.6139	4.1723	4.2245	4.4167	4.4885
Foreign Trade Balance⁽¹⁾ (USD billion)						Jan-18	Feb-18	Mar-18
Exports	151.8	157.6	143.8	142.5	157.0	158.2	159.3	160.4
Imports	251.7	242.2	207.2	198.6	233.8	239.7	242.8	245.3
Foreign Trade Balance	-99.9	-84.6	-63.4	-56.1	-76.8	-81.5	-83.6	-84.9
Import Coverage Ratio (%)	60.3	65.1	69.4	71.8	67.2	66.0	65.6	65.4
Balance of Payments⁽¹⁾ (USD billion)							Jan-18	Feb-18
Current Account Balance	-63.6	-43.6	-32.1	-33.1	-47.4		-51.8	-53.3
Capital and Financial Accounts	-62.7	-42.6	-22.4	-22.1	-46.3		-49.4	-49.1
Direct Investments (net)	-9.9	-6.1	-12.9	-10.2	-8.2		-8.1	-7.4
Portfolio Investments (net)	-24.0	-20.2	15.7	-6.3	-24.3		-27.6	-26.5
Other Investments (net)	-38.7	-15.9	-13.3	-6.5	-5.5		-11.9	-12.6
Reserve Assets (net)	9.9	-0.5	-11.8	0.8	-8.2		-1.8	-2.6
Net Errors and Omissions	1.0	1.1	9.8	11.0	1.1		2.3	4.2
Current Account Balance/GDP (%)	-6.7	-4.7	-3.7	-3.8	-5.6		-	-
Budget⁽²⁾⁽³⁾ (TRY billion)						Jan-18	Feb-18	Mar-18
Expenditures	408.2	448.8	506.3	583.7	677.7	56.5	119.4	187.9
Interest Expenditures	50.0	49.9	53.0	50.2	56.7	6.0	12.7	22.3
Non-interest Expenditures	358.2	398.8	453.3	533.4	621.0	50.5	106.7	165.6
Revenues	389.7	425.4	482.8	554.4	630.3	58.2	119.2	167.4
Tax Revenues	326.2	352.5	407.8	458.7	536.0	52.0	104.6	145.8
Budget Balance	-18.5	-23.4	-22.6	-29.3	-47.4	1.7	-0.2	-20.4
Primary Balance	31.4	26.5	30.4	21.0	9.3	7.7	12.5	1.9
Budget Balance/GDP (%)	-1.0	-1.1	-1.0	-1.1	-1.5	-	-	-
Central Government Debt Stock (TRY billion)						Jan-18	Feb-18	Mar-18
Domestic Debt Stock	403.0	414.6	440.1	468.6	535.4	539.8	543.9	550.4
External Debt Stock	183.2	197.9	238.1	291.3	341.0	352.9	353.0	362.7
Total Debt Stock	586.2	612.5	678.2	760.0	876.5	892.7	896.9	913.1

(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)	2013	2014	2015	2016	2017	Feb.18	Mar.18	Change ⁽¹⁾
TOTAL ASSETS	1,732	1,994	2,357	2,731	3,258	3,296	3,375	3.6
Loans	1,047	1,241	1,485	1,734	2,098	2,145	2,196	4.7
TRY Loans	753	881	1,013	1,131	1,414	1,447	1,464	3.5
Share (%)	71.9	71.0	68.2	65.2	67.4	67.5	66.7	-
FX Loans	295	360	472	603	684	697	732	7.1
Share (%)	28.1	29.0	31.8	34.8	32.6	32.5	33.3	-
Non-performing Loans	29.6	36.4	47.5	58.2	64.0	75.9	65.7	2.6
Non-performing Loan Rate (%)	2.8	2.9	3.1	3.2	3.0	3.4	2.9	-
Securities	287	302	330	352	402	403	407	1.3
TOTAL LIABILITIES	1,732	1,994	2,357	2,731	3,258	3,296	3,375	3.6
Deposits	946	1,053	1,245	1,454	1,711	1,745	1,777	3.9
TRY Deposits	594	661	715	845	955	967	983	3.0
Share (%)	62.8	62.8	57.4	58.1	55.8	55.4	55.3	-
FX Deposits	352	391	530	609	756	778	794	5.0
Share (%)	37.2	37.2	42.6	41.9	44.2	44.6	44.7	-
Securities Issued	61	89	98	116	145	154	162	11.3
Payables to Banks	254	293	361	418	475	485	500	5.2
Funds from Repo Transactions	119	137	157	138	99	92	95	-4.0
SHAREHOLDERS' EQUITY	194	232	262	300	359	376	376	4.6
Profit (Loss) of the Period	24.7	24.6	26.1	37.5	49.1	8.4	13.9	-
RATIOS (%)								
Loans/GDP	57.9	60.7	63.5	66.5	67.6			
Loans/Assets	60.5	62.2	63.0	63.5	64.4	65.1	65.1	-
Securities/Assets	16.6	15.2	14.0	12.9	12.3	12.2	12.1	-
Deposits/Liabilities	54.6	52.8	52.8	53.2	52.5	52.9	52.7	-
Loans/Deposits	110.7	117.9	119.2	119.3	122.6	122.9	123.6	-
Capital Adequacy (%)	15.3	16.3	15.6	15.6	16.9	16.7	16.6	-

(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.