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## Global Economy

Trade wars continued to dominate the global agenda. The concerns over a worsening US and China trade dispute persisted while tensions between the US and the EU have eased.

Fed kept its policy rate intact in line with expectations at the monetary policy meeting ended on August 1. As the Fed adopted a more hawkish tone compared to its previous meetings, the probability of a September rate hike strengthened further.

ECB held its policy rate and asset purchase program unchanged. The Central Banks also reiterated its past statement that the policy rate will remain at their present levels at least until the summer of 2019.

BoE raised its policy rate by 25 bps to 0.75% parallel to expectations at its August meeting.

BoJ decided to conduct bond purchases in a flexible manner at its monetary policy meeting held on July 30-31.

Economic activity in China continued to lose momentum. The economy grew at an annual rate of 6.7% in the second quarter of the year, 0.1 point lower than the previous quarter.

At its World Economic Outlook Update published in mid-July, IMF underlined that growing international trade tensions pose downside risks to global economy. Maintaining its global growth forecasts, the Fund revised down its global trade growth forecasts for 2018 and 2019.

Oil prices remained under downward pressure due to trade war fears weighing on expectations for global growth. Yet, the US sanctions against Iran limited this impact.

## Turkish Economy

Unemployment rate fell to 9.6% in April period while seasonally adjusted unemployment rate increased.

Calendar adjusted industrial production rose by 6.4% yoy in May.

Exports declined by 1.3% to 13 billion USD and in June while imports contracted by 3.8% yoy to 18.5 billion USD. Thus, foreign trade deficit fell by 9.1% yoy in this period. According to the provisional data released by the Ministry of Customs and Trade, foreign trade deficit narrowed by 32.4% yoy in July.

Current account deficit rose by 9.6% yoy to 5.9 billion USD in May, above market expectations. 12-month cumulative current account deficit increased by 21.4 billion USD to 57.6 billion USD. This figure, which marked the highest level in more than four years, declines to 7.5 billion USD when net energy and gold trade is excluded.

Central government budget deficit increased by 86.5% yoy to 25.6 billion TRY in June. Primary budget deficit reached 23.2 billion TRY. In the first half of the year, budget deficit rose by 82.6% yoy to 46.1 billion TRY.

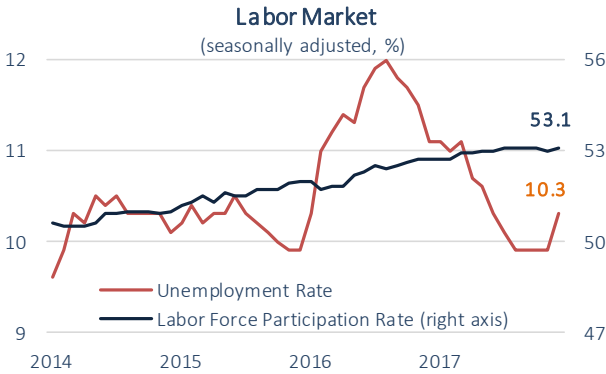
Monthly CPI increase was below market expectations in July with 0.55%. Annual CPI inflation continued to accelerate and became 15.85%. Annual D-PPI inflation came in at 25%.

Fitch dropped its rating on Turkey's sovereign debt one notch to BB with a negative outlook.

CBRT kept the policy rate unchanged at 17.75% at its meeting held on July 24.

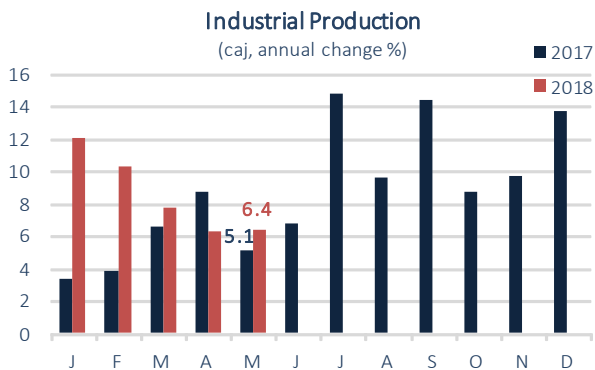
### Unemployment rate was 9.6% in April.

In April period, unemployment rate was realized as 9.6%, the lowest level in almost two years continuing its ongoing decline since February. The mentioned rate was 10.5% in the same period of the previous year. Total employment increased by 852 thousand persons yoy. On the other hand, deterioration in seasonally adjusted figures stood out in this period. Seasonally adjusted unemployment rate rose by 0.4 points compared to previous period to 10.3%, while employment declined by 34,000 persons.



### Industrial production rose by 6.4% yoy in May.

According to calendar adjusted figures, industrial production increased by 6.4% yoy in May, exceeding expectations. In this period, production in 20 out of 24 subsectors in manufacturing industry rose while manufacture of computer, electronic and optical products recorded the strongest annual rise with 40.7%. Considering the contributions to the growth, manufacture of food products stood out with 1.4 points. On the other hand, seasonal and calendar adjusted figures indicated that industrial production decreased compared to the previous month.

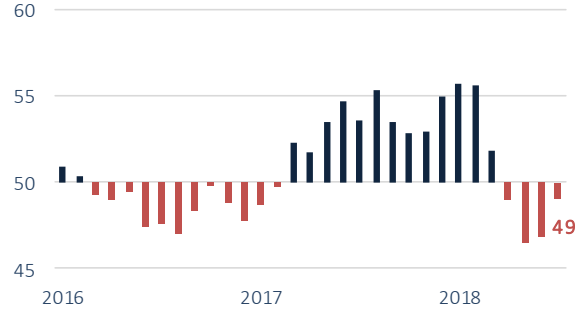


### Manufacturing PMI recorded a slight recovery in July.

Manufacturing PMI increased by 2.2 points mom to 49, below the threshold, indicating that the slowdown continued. Considering the sub-indexes, output and total new orders declined moderately compared to the previous month. In this period, while rising new export

orders recorded as a positive development, exchange rates' upward movements affected the sector in a negative way by increasing inflationary pressures.

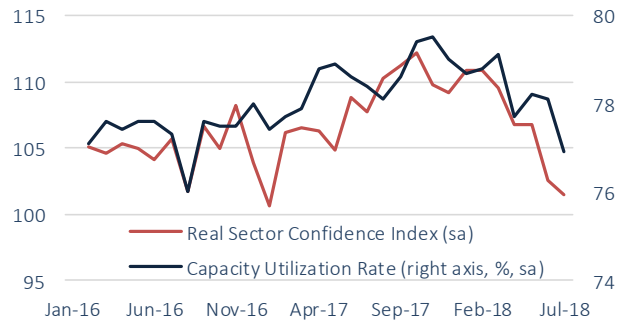
Manufacturing PMI (benchmark=50)



### Capacity utilization rate declined in July.

In July, real sector confidence index and capacity utilization rate of manufacturing industry (CUR) pointed out that momentum loss in economic activity has continued. In this period, seasonally adjusted CUR decreased by 1.2 points compared to previous month to 76.9%. CUR in all commodity groups declined. In the same period, seasonally adjusted real sector confidence also decreased by 1% mom to 101.5 due mainly to deterioration in total amount of orders and rise in stocks.

Leading Indicators



### House sales increased also in June.

Having increased in May thanks to incentives and discount campaigns, house sales continued to rise in June. House sales rose by 22.4% yoy to 119,413 units. In this period, mortgaged house sales surged up by 35.3% yoy due to interest rate cuts, while other sales rose by 15.1%.

According to the CBRT's housing price statistics, hedonic house prices (prices are adjusted for quality changes) rose by 1.23% mom and 9.52% yoy. Considering price developments in three major cities, housing prices in İstanbul declined to 7.8% in real terms. It is noteworthy that housing prices in İzmir, which have decoupled from Ankara and İstanbul for a while, lost some momentum in this period.

Source: Datastream, Markit, Turkstat, CBRT

### Budget deficit was 25.6 billion TRY in June.

The central government budget deficit increased by 86.5% yoy to 25.6 billion TRY in June. Budget expenditures surged up by 33.8% yoy to 77.2 billion TRY while budget revenues expanded by 17.3% to 51.5 billion TRY in June. Primary budget deficit, which was 12.5 billion TRY in June 2017, increased by 86.5% yoy in the same month of this year to 23.2 billion TRY.

In the first half of the year, budget performance weakened compared to the same period of the previous year. In this period, budget expenditures and revenues expanded by 23.2% and 18.2%, respectively. Thus, central government budget deficit, which was 25.2 billion TRY in January-June 2017, was realized as 46.1 billion TRY in the same period of this year. Primary budget deficit reached 12.3 billion TRY in this period.

#### Central Government Budget

	January-June		%
	2017	2018	
<b>Expenditures</b>	<b>324.4</b>	<b>399.7</b>	<b>23.2</b>
Interest Expenditures	27.0	33.8	25.3
Non-Interest Expenditures	297.4	365.9	23.0
<b>Revenues</b>	<b>299.2</b>	<b>353.6</b>	<b>18.2</b>
Tax Revenues	246.1	294.8	19.8
Other Revenues	53.1	58.8	10.6
<b>Budget Balance</b>	<b>-25.2</b>	<b>-46.1</b>	<b>82.6</b>
<b>Primary Balance</b>	<b>1.8</b>	<b>-12.3</b>	<b>-</b>

### Foreign trade deficit posted an annual decline.

Exports contracted by 1.3% yoy to 13 billion USD in June while import volume declined by 3.8% to 18.5 billion USD. Thus, foreign trade deficit narrowed by 9.1% compared to the same period of the previous year and became 5.5 billion USD. In this period, the import coverage ratio increased to 70.2%.

In June, capital goods and intermediate goods imports declined by 6.3% and 2.5% yoy, respectively. On the other hand, the fall in imports of consumption goods accelerated and became 13.9% yoy.

In July, foreign trade deficit narrowed at a faster pace than June, according to the provisional foreign trade data released by the Ministry of Customs and Trade. In this period, trade deficit declined by 32.4% yoy. Exports increased by 11.8% yoy and imports contracted by 6.4% yoy in July.

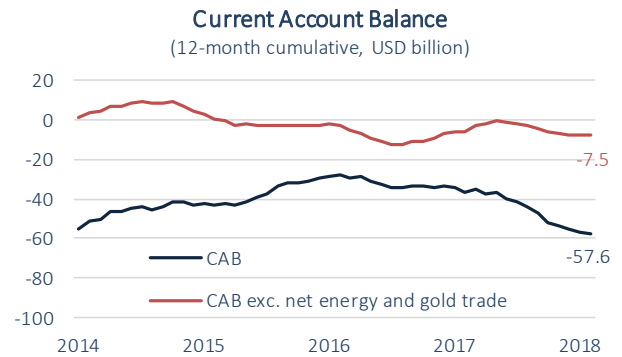
#### Foreign Trade Balance

	(USD billion)					
	July		Δ (%)	Jan.- July		Δ (%)
	2017	2018		2017	2018	
Exports	12.6	14.1	11.8	90.0	96.3	7.1
Imports	21.5	20.1	-6.4	108.3	143.1	10.2
<b>Foreign Trade Balance</b>	<b>-8.9</b>	<b>-6.0</b>	<b>-32.4</b>	<b>-39.8</b>	<b>-46.7</b>	<b>17.4</b>
Import Coverage (%)	58.7	70.1	-	69.3	67.3	-

### 12-month current account deficit is at 57.6 billion USD.

Current account deficit increased by 9.6% compared to the same month of the previous year to 5.9 billion USD, exceeding expectations. In this period, annual expansion in the current account deficit lost some momentum compared to the previous months thanks to decelerating foreign trade deficit increase. In May, net gold trade continued to have a negative impact on the current account balance. Also, net tourism revenues increased by 47.8% yoy, limiting the deterioration in current account balance.

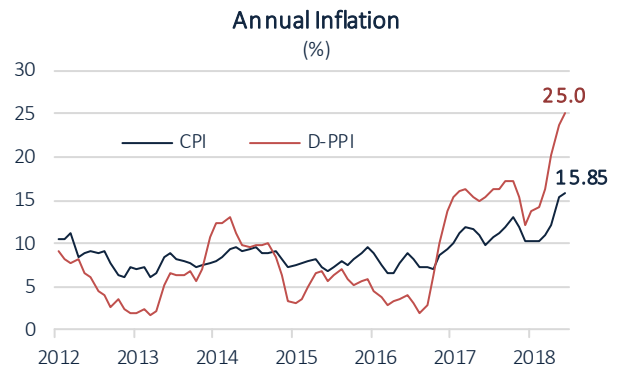
12-month cumulative current account deficit, which continued to expand in May, reached 57.6 billion USD, the highest level in more than four years. Excluding net energy and gold trade, current account deficit decreases to 7.5 billion USD.



Reserve assets and net errors and omissions stood out in financing of the current account deficit in May. The two items contributed 2.8 billion USD and 3.4 billion USD, respectively, to the financing of the deficit. In this period, direct investments and other investments recorded net capital inflows of 429 million USD and 255 million USD, respectively.

### CPI inflation was above expectations in July.

In July, CPI rose below the market expectations by 0.55%. According to the Reuters' survey, CPI was expected to increase by 0.9% mom. Monthly increase in Domestic Producer Price Index (D-PPI) kept its rising trend in this period and was realized as 1.77%.



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

Annual CPI inflation continued to rise and reached 15.85% in July. In this period, D-PPI increased by 25% on an annual basis. Thus, annual rises in CPI and D-PPI have reached new highs in the 2003 based series.

In July, prices in all main expenditure groups except clothing and footwear, food and communication increased. Highest monthly price increase (2.26%) was realized in restaurants and hotels due to recovery in tourism sector. The transportation group, which has a high share in CPI basket, made the highest contribution by 19 bps to the monthly inflation. Clothing and footwear prices, which declined by 3.07% on a monthly basis, have limited inflation by 21 bps.

Annual D-PPI inflation, reaching 25%, indicated that cost pressure on consumer prices will remain in the coming period. Moreover, the depreciation of TRY also supports upside risks on inflation. Taking natural gas and electricity price increases into account, we anticipate that the rising trend in annual inflation will continue in August.

#### **CBRT published its third inflation report of the year.**

CBRT, in its third Inflation Report published on July 31, raised its year-end inflation forecast by 5 points compared to its forecast in April to 13.4%. Year-end inflation forecast for 2019 was also raised by 2.8 points to 9.3%. CBRT, which anticipated the inflation in to be 6.7%, kept its medium term target as %5. Upward revisions stemmed from oil prices and exchange rate developments as well as food prices and distorted pricing behaviors. CBRT governor Çetinkaya emphasized that fiscal policy and macro-prudential measures were crucial in the upcoming period in terms of price stability. He also added that further tightening could be made if needed.

#### **CBRT kept its policy rate unchanged.**

In its meeting on July 24, CBRT Monetary Policy Committee kept the policy rate at 17.75%. Press release published after the meeting cited the balancing process in the economic activity and revealed that inflationary pressures caused by domestic demand conditions would ease in the coming period. Nevertheless, CBRT emphasized that because of the deterioration in general pricing behaviour and expectations, tight monetary policy stance might be preserved for a long period of time. Moreover, inclusion of the statement such that the roadmap of the fiscal policy would probably put a downward pressure on inflation into the latest minutes was noticeable.

#### **Fitch cut Turkey's credit rating.**

Credit rating agency Fitch downgraded Turkey's credit rating from "BB+" to "BB" on July 13, citing increasing risks which might dampen economic stability. Fitch also changed the outlook from stable to negative. In its statement, Fitch pointed out the negative effects of

widening current account deficit, more challenging global external borrowing conditions, surge in inflation and the depreciation in TRY on the private sector which carries a considerable amount of FX debt; hence stating the downside risks regarding the macroeconomic stability have increased.

Having downgraded 24 Turkish banks' credit rating on July 20, Fitch announced on July 30 that banks' credit ratings are still affected by the factors that cause credit rating cut. In the report, it is stated in that depreciation in TRY, rising interest rates and slowdown in economic activity continued to pose a risk on banks' performance, asset quality, capitalization, liquidity and funding profiles.

	29/Jun	31/Jul	Change
5-Y CDS (basis points)	296	319	23 bps ▲
TR 2-Y Benchmark Yield	19.25%	20.78%	153 bps ▲
BIST-100	96,520	96,952	0.4% ▲
USD/TRY	4.5862	4.9098	7.1% ▲
EUR/TRY	5.3570	5.7500	7.3% ▲
Currency Basket*	4.9716	5.3347	7.3% ▲

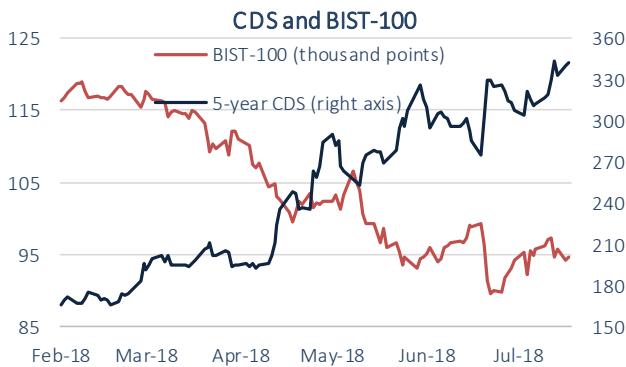
(\*) (0,5 USD/TL + 0,5 EUR/TL)

**Risk sentiment towards Turkey worsened.**

Escalating tensions over the trade dispute have weighed on global markets. Uncertainty about the policies to be conducted by the new economy administration took office after the elections, continued deterioration in inflation and current account balance, Fitch downgrade and diplomatic tension between Turkey and the US as well as the concerns over trade wars drove domestic markets. Due to this heavy agenda, risk sentiment towards Turkey has worsened. Turkish lira assets remained under pressure. In July, Turkey's 5-year CDS premiums increased by 23 basis points compared to the end of June and completed the month at 319.

**BIST-100 index followed a volatile path.**

Parallel to the deterioration in risk perception for the domestic markets, BIST-100 index, which has been on an upward trend since mid-June, recorded sharp falls particularly in the second week of July. Having pared its losses in the second half of the month, the index registered a slight increase compared to the end of June and became 96,952 at the end of July.

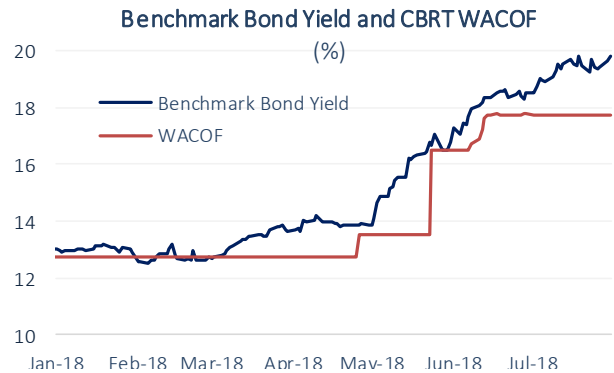


**Bond yields on the rise...**

Having had a heavy financing program in July, the Treasury borrowed 21.7 billion TRY from domestic markets through 6 auctions. Domestic debt redemption in this period was projected as 17.5 billion TRY while domestic borrowing was projected as 20.9 billion TRY. Compared to the previous auctions, bond yields hit higher levels in July.

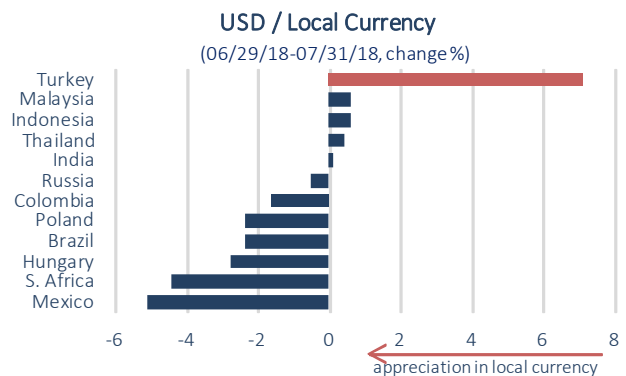
Together with the external developments, country-

specific issues continued to put upward pressure on borrowing costs also in July. 2-year benchmark bond yield climbed 153 basis points compared to the end of June, closing July at 20.78%.



**Turkish lira remained under pressure in July...**

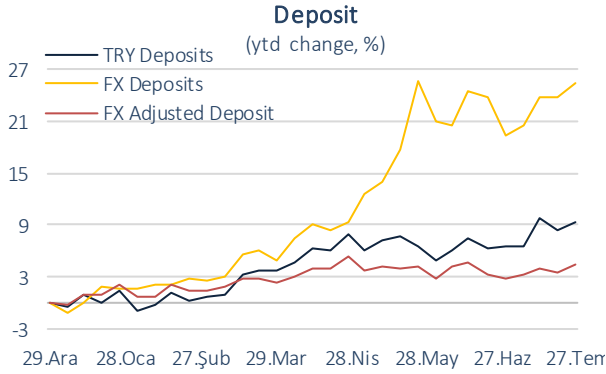
In the immediate aftermath of the elections, as political uncertainty has subsided and state of emergency was expected to be lifted, Turkish lira had appreciated against both the US dollar and euro. However, a higher-than-expected July inflation figure triggered an upward trend in exchange rates and this trend accelerated further in the following period. Besides, current account deficit at the highest levels in four years as well as the concerns about trade wars piled pressure on the currency. In the following days, Fed Chairman Powell's speech and constructive statements made by the new economy administration of Turkey provided some support for Turkish lira. Nevertheless, the Central Bank's interest rate decision and the US announcement on sanctions towards Turkey further weighed on the currency. In July, USD/TRY and EUR/TRY rose by 7.1% and 7.3%, respectively.



Source: CBRT, Datastream, Reuters, BIST

### Deposit volume reached 2,103 billion TRY.

According to Weekly Bulletin published by the BRSA, as of July 27, total deposit volume expanded by 16.7% compared to the end of 2017 to 2,103 billion TRY. FX adjusted ytd expansion in total deposits declines to 4.3%. In this period, while TRY deposits surged up by 9.4% to 1,069 billion TRY, FX deposits in USD terms decreased by 1.7% to 215 billion USD.

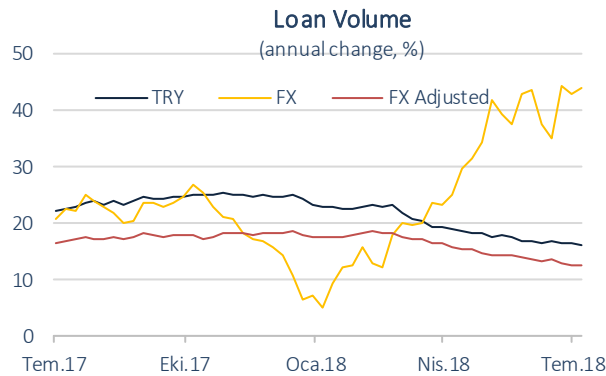


Total deposit volume expanded by 24.7% compared to the same period of the previous year, while FX adjusted annual expansion declines to 8% in this period. As of July 27, TRY deposit volume posted 15.3% annual increase and FX deposit in USD terms contracted by 0.8% yoy.

### Total loans increased by 25% yoy.

As of July 27, total credit volume expanded by 15.5% compared to the year-end and amounted to 2,466 billion TRY. FX adjusted credit volume recorded an annual increase of 6.2% in this period. As of July 27, while TRY credits expanded by 7.8% to 1,543 billion TRY, FX credits in USD terms increased by 2.8% to 192 billion USD.

Analyzing annual figures, total credit growth was 25% as of July 27. FX rates adjusted credit growth declines to 12.3%. While annual TRY credit growth was 15.9% yoy, FX credits in USD terms increased by 4.7% in this period.

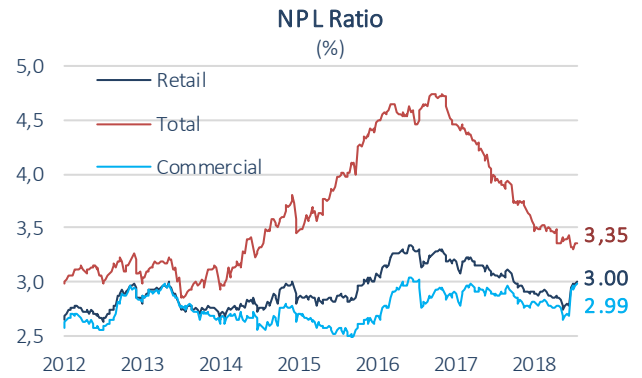


### New BRSA regulations to consumer loans...

According to the draft for regulation amendments announced by BRSA at August 2, it is aimed to put upper limits for consumer loan installments. Accordingly, the maximum maturity of consumer loans except for some purposes and vehicle loans are decided to be 36 and 48 months, respectively. Also, regarding the credit cards, there is a clause in the draft that maturity for the credit card transactions cannot exceed 12 months.

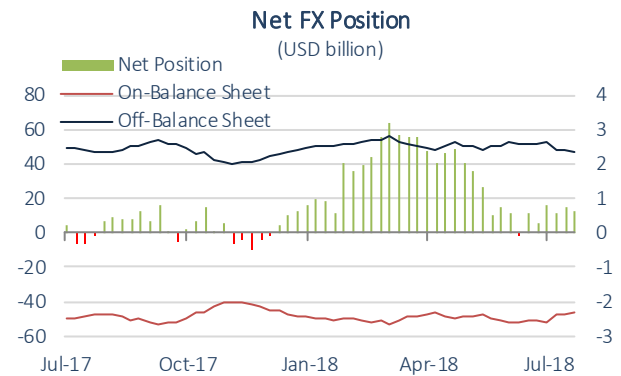
### NPL ratio increased.

NPL ratio, which followed a declining course in the first half of 2018, has an upward trend since the end of June. As of July 27, the ratio increased to 3%, the highest level since October 2017. In this period, NPL ratios for consumer and commercial loans were realized as 3.35% and 2.99%, respectively.



### Net foreign currency position...

As of July 27, banks' on-balance sheet FX position was (-) 46,402 million USD, while off-balance sheet FX position was (+) 47,017 million USD. Hence, banking sector's net FX position was realized as (+) 615 million USD.



## Concluding Remarks

Concerns over trade wars have continued to adversely affect risk perception towards global economy even though news flow occasionally feeds optimism. Tensions between the United States and the EU have eased while the concerns over a worsening US and China trade dispute persisted. On the other hand, monetary policies of advanced economies have been also high on the agenda. After the Fed's latest monetary policy meeting, the probability of a September rate hike increased rapidly while ECB reiterated its pledge to keep interest rates low until the summer of 2019. BoJ decided to conduct bond purchases in a flexible manner. While BoJ's move was interpreted as a step towards normalization, BoE tightened the policy at its August meeting. Against this backdrop, risk sentiment for emerging economies has been under significant pressure since June. In the upcoming period, risks facing emerging market currencies may increase should the US dollar sustain an upward trend.

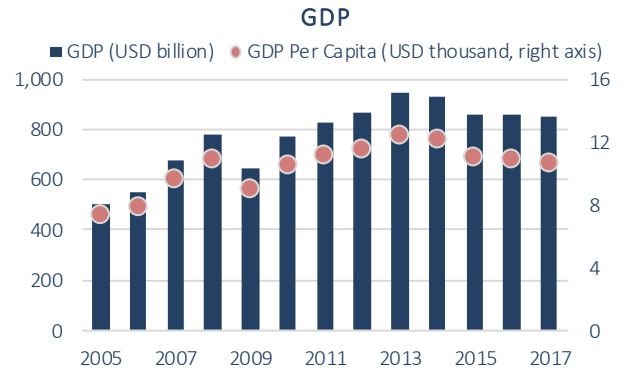
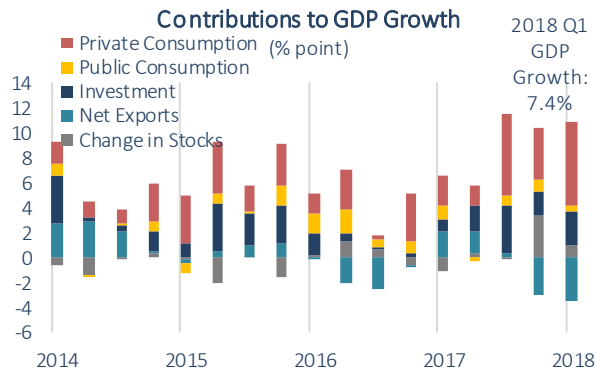
Eyes have turned to the agenda of the new economy administration once the elections were over. The announcement of the start of the new Medium Term Program talks, macroprudential measures planned to be conducted by the BRSA and a 100-day action plan were followed closely. On the other hand, these developments were overshadowed by the rising diplomatic tensions with the US. The US sanctions on Turkey led to a deterioration in risk sentiment.

The recent moderation in economic activity caused hard-landing scenarios to weaken. Industrial production increased by 6.3% yoy in April-May period while manufacturing PMI came in at just below 50 breakeven level in July. This slowdown supported the inflation outlook. Markets will keep an eye on the steps to contribute to the effectiveness of the current monetary policy. Fiscal policy and macroprudential measures will be on focus.

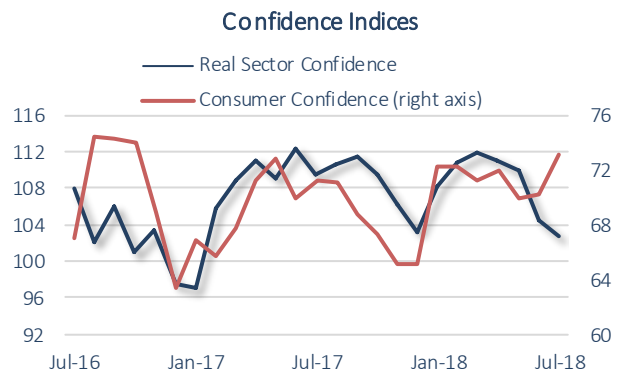
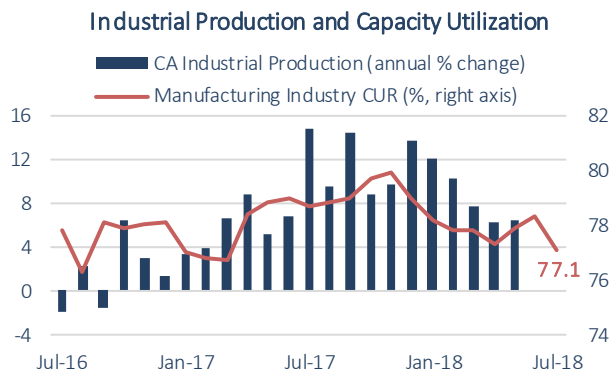
Forecasts (%)	2017 (R)	2018
Growth	7.4	4.1
Current Account Deficit/GDP	5.6	6.0
Inflation (year-end)	11.9	14.0

(R) Realization

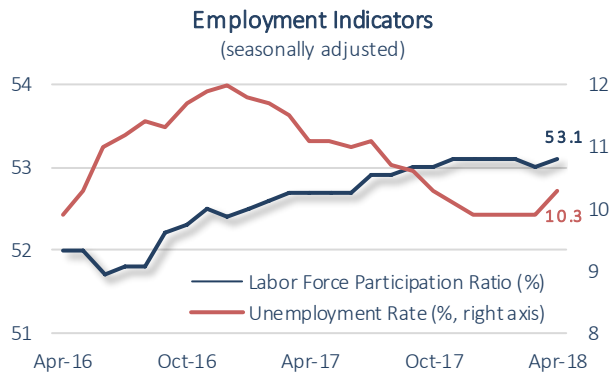
Growth



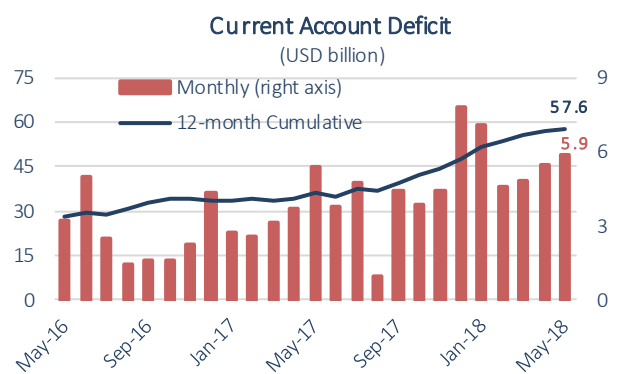
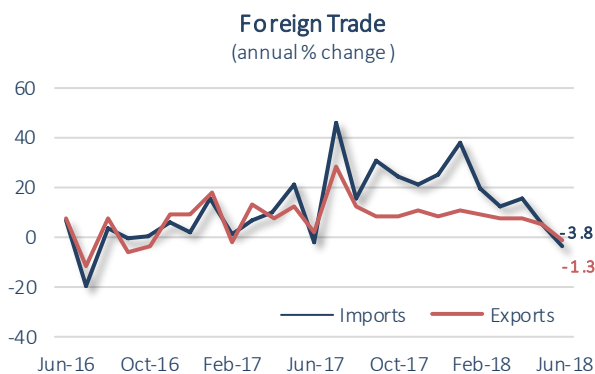
Leading Indicators



Labor Market



Foreign Trade and Current Account Balance

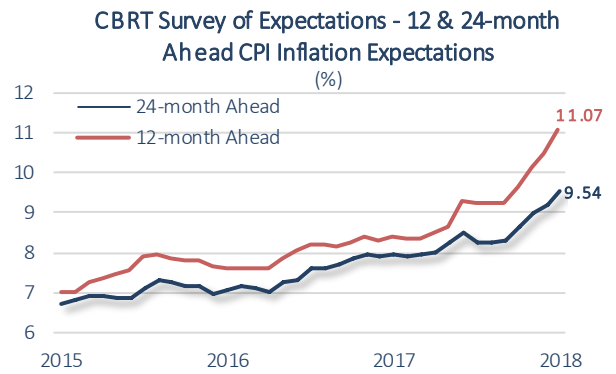
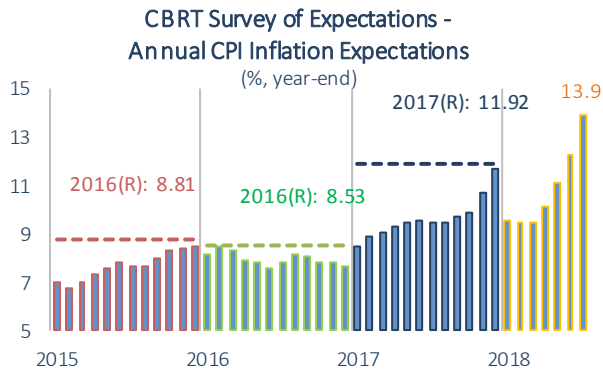
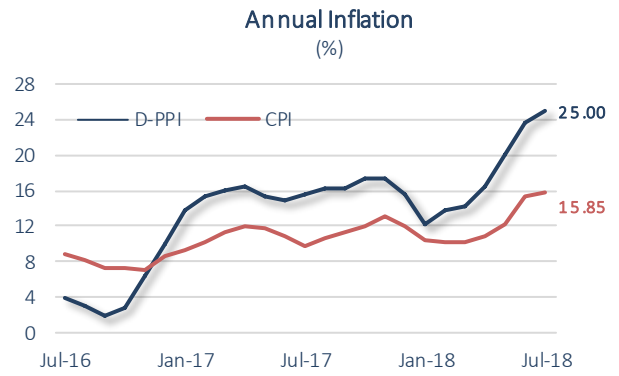
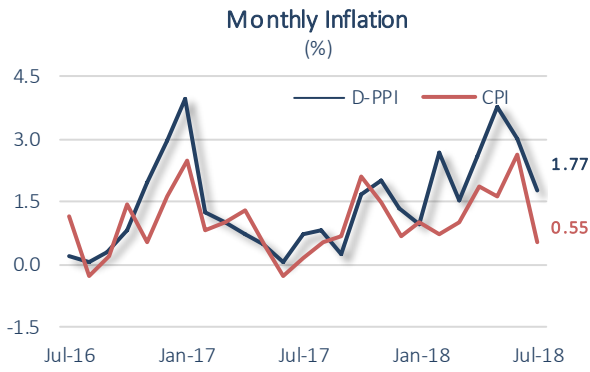


(CA) Calendar adjusted

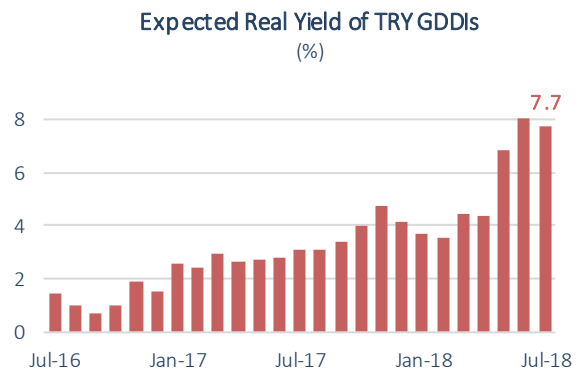
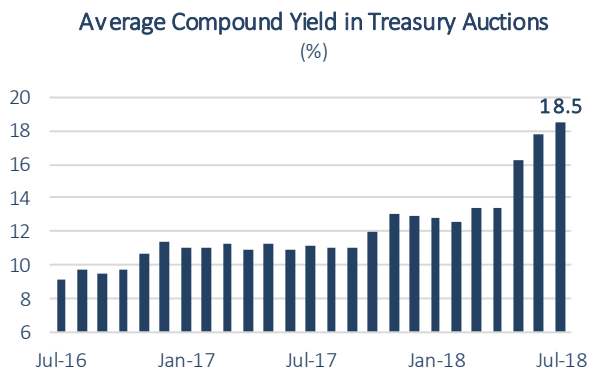
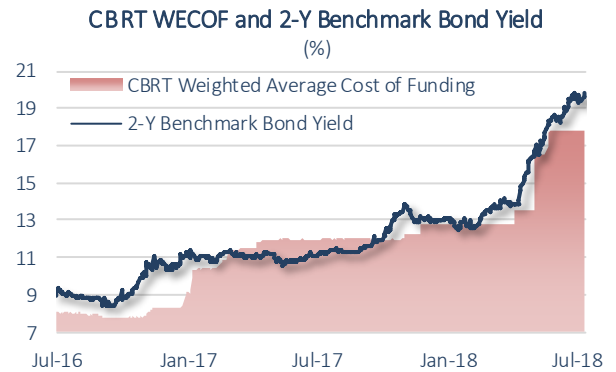
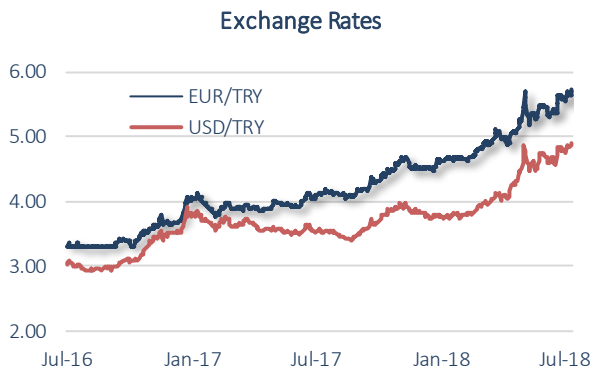
Source: Datastream, CBRT, Turkstat



Inflation



Foreign Exchange and Bond Market



## Turkish Economy - Macroeconomic Indicators

<b>Growth</b>	2013	2014	2015	2016	2017	18-Q1	18-Q2	18-Q3
GDP (USD billion)	950	935	862	863	851	208		
GDP (TRY billion)	1,810	2,045	2,339	2,609	3,105	793		
GDP Growth Rate (%)	8.5	5.2	6.1	3.2	7.4	7.4		
<b>Inflation (%)</b>						May-18	Jun-18	Jul-18
CPI (annual)	7.40	8.17	8.81	8.53	11.92	12.15	15.39	15.85
Domestic PPI (annual)	6.97	6.36	5.71	9.94	15.47	20.16	23.71	25.00
<b>Seasonally Adjusted Labor Market Figures</b>						Feb-18	Mar-18	Apr-18
Unemployment Rate (%)	9.1	10.3	10.2	12.0	9.9	9.9	9.9	10.3
Labor Force Participation Rate (%)	48.5	51.0	51.7	52.4	53.1	53.1	53.0	53.1
<b>FX Rates</b>						May-18	Jun-18	Jul-18
CPI Based Real Effective Exchange Rate	100.6	104.8	97.6	91.8	85.2	78.2	77.0	76.0
USD/TRY	2.1485	2.3378	2.9189	3.5176	3.7916	4.5375	4.5812	4.9090
EUR/TRY	2.9605	2.8288	3.1708	3.7102	4.5530	5.2966	5.3488	5.7438
Currency Basket (0.5*EUR+0.5*USD)	2.5545	2.5833	3.0448	3.6139	4.1723	4.9170	4.9650	5.3264
<b>Foreign Trade Balance<sup>(1)</sup> (USD billion)</b>						Apr-18	May-18	Jun-18
Exports	151.8	157.6	143.8	142.5	157.0	161.3	162.0	161.8
Imports	251.7	242.2	207.2	198.6	233.8	248.0	249.2	248.4
<b>Foreign Trade Balance</b>	<b>-99.9</b>	<b>-84.6</b>	<b>-63.4</b>	<b>-56.1</b>	<b>-76.8</b>	<b>-86.7</b>	<b>-87.2</b>	<b>-86.6</b>
Import Coverage Ratio (%)	60.3	65.1	69.4	71.8	67.1	65.0	65.0	65.1
<b>Balance of Payments<sup>(1)</sup> (USD billion)</b>						Mar-18	Apr-18	May-18
<b>Current Account Balance</b>	<b>-63.6</b>	<b>-43.6</b>	<b>-32.1</b>	<b>-33.1</b>	<b>-47.4</b>	<b>-55.4</b>	<b>-57.1</b>	<b>-57.6</b>
<b>Capital and Financial Accounts</b>	<b>-62.7</b>	<b>-42.6</b>	<b>-22.4</b>	<b>-22.1</b>	<b>-46.4</b>	<b>-47.4</b>	<b>-44.2</b>	<b>-42.7</b>
Direct Investments (net)	-9.9	-6.1	-12.9	-10.2	-8.2	-7.1	-7.2	-6.5
Portfolio Investments (net)	-24.0	-20.2	15.7	-6.3	-24.5	-22.6	-18.8	-12.3
Other Investments (net)	-38.7	-15.9	-13.3	-6.5	-5.6	-12.9	-19.8	-20.3
Reserve Assets (net)	9.9	-0.5	-11.8	0.8	-8.2	-4.9	1.7	-3.6
<b>Net Errors and Omissions</b>	<b>1.0</b>	<b>1.1</b>	<b>9.8</b>	<b>11.0</b>	<b>0.9</b>	<b>7.9</b>	<b>12.9</b>	<b>14.8</b>
<b>Current Account Balance/GDP (%)</b>	<b>-6.7</b>	<b>-4.7</b>	<b>-3.7</b>	<b>-3.8</b>	<b>-5.6</b>	-	-	-
<b>Budget<sup>(2)(3)</sup> (TRY billion)</b>						Apr-18	May-18	Jun-18
<b>Expenditures</b>	<b>408.2</b>	<b>448.8</b>	<b>506.3</b>	<b>583.7</b>	<b>677.7</b>	<b>255.2</b>	<b>322.5</b>	<b>399.7</b>
Interest Expenditures	50.0	49.9	53.0	50.2	56.7	25.4	31.4	33.8
Non-interest Expenditures	358.2	398.8	453.3	533.4	621.0	229.8	291.1	365.9
<b>Revenues</b>	<b>389.7</b>	<b>425.4</b>	<b>482.8</b>	<b>554.4</b>	<b>630.3</b>	<b>232.0</b>	<b>302.1</b>	<b>353.6</b>
Tax Revenues	326.2	352.5	407.8	458.7	536.0	190.9	252.1	294.8
<b>Budget Balance</b>	<b>-18.5</b>	<b>-23.4</b>	<b>-22.6</b>	<b>-29.3</b>	<b>-47.4</b>	<b>-23.2</b>	<b>-20.5</b>	<b>-46.1</b>
<b>Primary Balance</b>	<b>31.4</b>	<b>26.5</b>	<b>30.4</b>	<b>21.0</b>	<b>9.3</b>	<b>2.2</b>	<b>11.0</b>	<b>-12.3</b>
<b>Budget Balance/GDP (%)</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.5</b>	-	-	-
<b>Central Government Debt Stock (TRY billion)</b>						Apr-18	May-18	Jun-18
Domestic Debt Stock	403.0	414.6	440.1	468.6	535.4	553.1	556.4	561.2
External Debt Stock	183.2	197.9	238.1	291.3	341.0	368.1	402.6	408.6
<b>Total Debt Stock</b>	<b>586.2</b>	<b>612.5</b>	<b>678.2</b>	<b>760.0</b>	<b>876.5</b>	<b>921.1</b>	<b>959.0</b>	<b>969.8</b>

(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	May.18	Jun.18	Change <sup>(1)</sup>
<b>TOTAL ASSETS</b>	<b>1,732</b>	<b>1,994</b>	<b>2,357</b>	<b>2,731</b>	<b>3,258</b>	<b>3,640</b>	<b>3,672</b>	<b>12.7</b>
<b>Loans</b>	<b>1,047</b>	<b>1,241</b>	<b>1,485</b>	<b>1,734</b>	<b>2,098</b>	<b>2,339</b>	<b>2,353</b>	<b>12.1</b>
TRY Loans	753	881	1,013	1,131	1,414	1,507	1,513	7.0
Share (%)	71.9	71.0	68.2	65.2	67.4	64.4	64.3	-
FX Loans	295	360	472	603	684	832	840	22.9
Share (%)	28.1	29.0	31.8	34.8	32.6	35.6	35.7	-
Non-performing Loans	29.6	36.4	47.5	58.2	64.0	82.9	73.5	14.9
Non-performing Loan Rate (%)	2.8	2.9	3.1	3.2	3.0	3.4	3.0	-
<b>Securities</b>	<b>287</b>	<b>302</b>	<b>330</b>	<b>352</b>	<b>402</b>	<b>420</b>	<b>432</b>	<b>7.5</b>
<b>TOTAL LIABILITIES</b>	<b>1,732</b>	<b>1,994</b>	<b>2,357</b>	<b>2,731</b>	<b>3,258</b>	<b>3,640</b>	<b>3,672</b>	<b>12.7</b>
<b>Deposits</b>	<b>946</b>	<b>1,053</b>	<b>1,245</b>	<b>1,454</b>	<b>1,711</b>	<b>1,893</b>	<b>1,899</b>	<b>11.0</b>
TRY Deposits	594	661	715	845	955	993	1,004	5.1
Share (%)	62.8	62.8	57.4	58.1	55.8	52.4	52.8	-
FX Deposits	352	391	530	609	756	901	896	18.4
Share (%)	37.2	37.2	42.6	41.9	44.2	47.6	47.2	-
<b>Securities Issued</b>	<b>61</b>	<b>89</b>	<b>98</b>	<b>116</b>	<b>145</b>	<b>176</b>	<b>176</b>	<b>20.9</b>
<b>Payables to Banks</b>	<b>254</b>	<b>293</b>	<b>361</b>	<b>418</b>	<b>475</b>	<b>572</b>	<b>581</b>	<b>22.3</b>
<b>Funds from Repo Transactions</b>	<b>119</b>	<b>137</b>	<b>157</b>	<b>138</b>	<b>99</b>	<b>96</b>	<b>210</b>	<b>112.9</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>194</b>	<b>232</b>	<b>262</b>	<b>300</b>	<b>359</b>	<b>387</b>	<b>395</b>	<b>9.9</b>
Profit (Loss) of the Period	24.7	24.6	26.1	37.5	49.1	23.8	28.9	-
<b>RATIOS (%)</b>								
Loans/GDP	57.9	60.7	63.5	66.5	67.6			
Loans/Assets	60.5	62.2	63.0	63.5	64.4	64.3	64.1	-
Securities/Assets	16.6	15.2	14.0	12.9	12.3	11.5	11.8	-
Deposits/Liabilities	54.6	52.8	52.8	53.2	52.5	52.0	51.7	-
Loans/Deposits	110.7	117.9	119.2	119.3	122.6	123.5	123.9	-
Capital Adequacy (%)	15.3	16.3	15.6	15.6	16.9	15.9	16.3	-

(1) Year-to-date % change

Source: BRSA, Turkstat

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