



MONTHLY ECONOMIC REVIEW

Economic Research Division
February 2012

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- ▶ *The concerns about the Euro Area and their spillover to the region's real economy have continued to be the focus of markets in the first month of the new year.*
 - ▶ *After having warned about the rising "systemic risk" in the Euro Area in the previous months, Standard and Poor's cut the ratings of 9 Euro Area countries in January. France and Austria were also among the countries, whose "AAA" ratings were downgraded by the credit rating agency. The ratings of Italy, Spain and Portugal were downgraded by two notches. After S&P, the credit rating agency Fitch also cut the ratings of five Euro Area countries, including Italy and Spain. Fitch said that the probability of further rate cuts within the next two years is 50%.*
 - ▶ *In January, World Bank revised its global economic growth forecasts downward, citing the continued risks in the Euro Area and the slowdown in some major emerging market economies such as Brazil and India. Following the World Bank, IMF also revised its projections in its World Economic Outlook published in September 2011. According to the latest forecasts, growth rates of the Euro Area countries were revised down considerably.*
 - ▶ *Despite the continued downward risks to world economy, global markets started the new year with a positive sentiment. The impacts of the favorable developments in global financial markets were also effective on the domestic markets. ISE-100 index increased around 15% from its lowest level in January when the index declined below 50.000 threshold. During this period, TL appreciated against USD and the currency basket while the benchmark interest rate decreased below 10% for the first time since November 2011.*
 - ▶ *CBRT announced the first Inflation Report of 2012. CBRT stated that the signals increased pointing out a further delay in the normalization of monetary policies of advanced economies. Thus, to keep the inflation in line with the targets CBRT announced that tight stance and flexibility of the monetary policy should be kept.*

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OVERVIEW

The concerns about the Euro Area continued to weigh on the markets.

The concerns about the Euro Area and their spillover to the region's real economy have continued to be the focus of markets in the first month of the new year. The European Central Bank (ECB) injected €489 billion into the markets on December 21st, 2011 in order to overcome the liquidity squeeze in the markets as well as to direct banks to high yield government bonds. Following this move, a considerable improvement was observed in the short term borrowing costs of highly indebted countries of the region, like Italy and Spain. However, the improvement in medium and long term borrowing costs was limited. Despite the measures taken by the policy makers in the Euro Area, the structural problems in the region continued to pose risk and spillovers of unfavorable financial market developments to real economy intensified. Thus, ECB is expected to step in the markets with new measures in the coming months.

S&P and Fitch cut the credit ratings of several Euro Area countries.

After having warned about the rising "systemic risk" in the Euro Area in the previous months, Standard and Poor's cut the ratings of 9 Euro Area countries in January. France and Austria were also among the countries, whose "AAA" ratings were downgraded by the credit rating agency. The ratings of Italy, Spain and Portugal were downgraded by two notches. S&P, also cut the rating of the European Financial Stability Fund (EFSF), citing that the rescue capacity of the fund has diminished. On the other hand, against S&P's move, Euro Area policy makers said that the downgrade would not affect the lending capacity of EFSF and further claimed that the rescue fund has the sufficient means to fulfill its commitments. After S&P, the credit rating agency Fitch also cut the ratings of five Euro Area countries, including Italy and Spain. Fitch said that the probability of further rate cuts within the next two years is 50%.

World Bank and IMF revised their growth forecasts downward.

In January, World Bank revised its global economic growth forecasts downward, citing the continued risks in the Euro Area and the slowdown in some major emerging market economies such as Brazil and India. The World Bank decreased its 2012 and 2013 growth forecasts from 3.6% to 2.5% and 3.1%, respectively. Besides, the Euro Area was forecasted to enter into recession in 2012. Following the World Bank, IMF also revised its projections in its World Economic Outlook published in September 2011. According to the latest forecasts, growth rates of Euro Area countries were revised down considerably. The IMF cut its forecasts for the Euro Area to a 0.5% contraction in 2012, down from a previous forecast of 1.1% growth. The growth forecast of U.S. was kept unchanged while world economic growth was revised to 3.3% in 2012.

A positive start to new year from global markets...

Despite the continued downward risks to world economy, global markets started the new year with a positive sentiment. US stock market indices increased with the support of the balance sheet announcements. Dow Jones reached its highest level since May 2008. Asian bourses also performed well during the first weeks of the year supported by the monetary policy easing signals in the region's economies. In the Euro Area, new bond issues were generally successful, increasing the risk taking appetite in the markets and the €/ \$ parity started to rise from the second half of January.

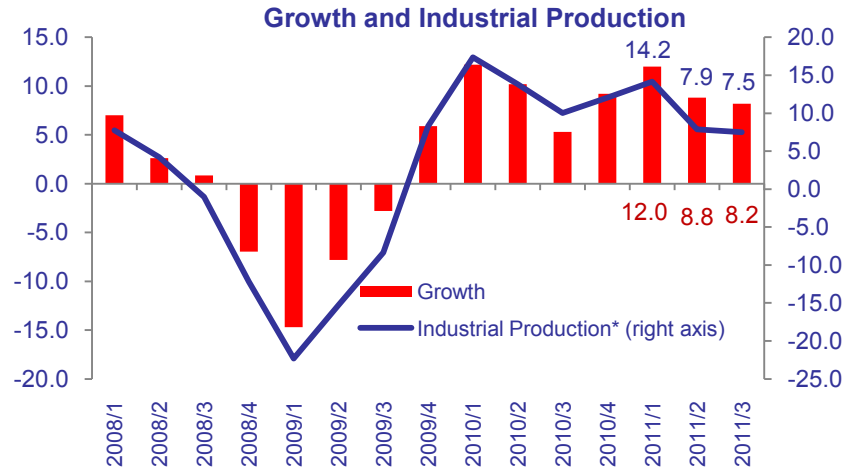
Favorable global market conditions were also reflected to domestic markets.

The impacts of the favorable developments in global financial markets were also effective on the domestic markets. ISE-100 index increased around 15% from its lowest level in January when the index declined below 50.000 threshold. During this period, TL appreciated against USD and the currency basket while the benchmark interest rate decreased below 10% for the first time since November 2011. On the other hand, Turkish Treasury has entered a heavy borrowing period which will last until May. During this period, in addition to the own macroeconomic dynamics of Turkish economy, the course of the global risk appetite will be influential on the borrowing costs of the Treasury.

TURKISH ECONOMY

In November, industrial production index declined compared to the previous month.

According to Turkstat, industrial production index increased by 8.4% in November compared to the same month of the previous year. Despite rapid annual increase in the industrial production index, the seasonal and calendar adjusted industrial production index decreased by 2.5% compared to the previous month and confirmed the slowdown in economic activity.

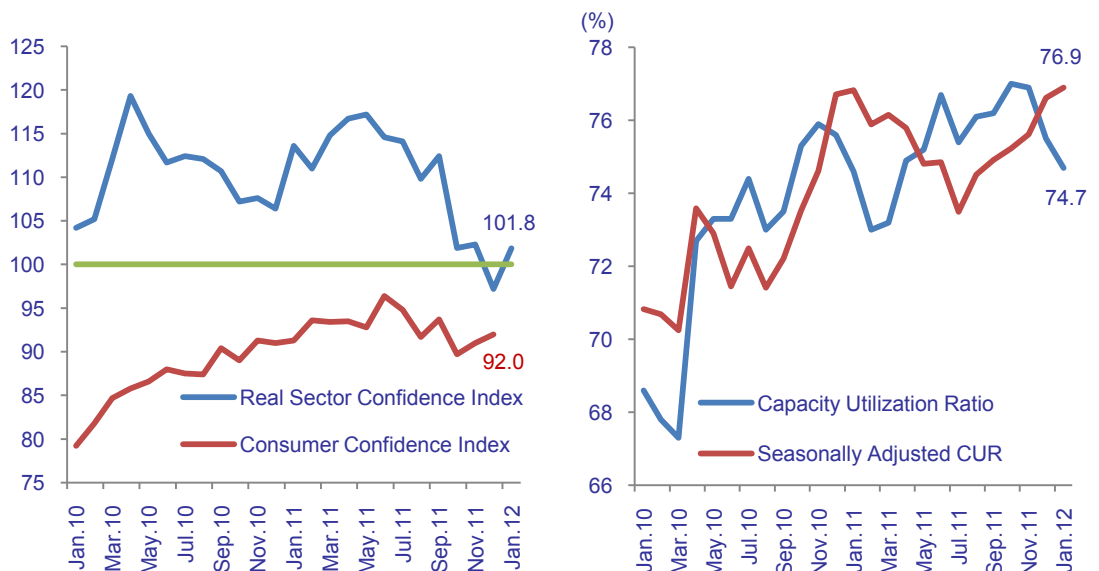


(*) Change compared to the same period of the previous year (3 months average)
Source: Turkstat

Real sector confidence index rose above 100 points threshold.

The real sector confidence index, which declined below 100 points threshold pointing out a deterioration in real sector agents' expectations about the economic conditions in December, rose above 100 points in January. The manufacturing sector capacity utilization ratio, on the other hand, declined in January. However, seasonally adjusted capacity utilization ratios displayed a more favorable outlook. Generally, leading indicators of economic activity confirm a gradual slowdown in the Turkish economy.

Leading Indicators

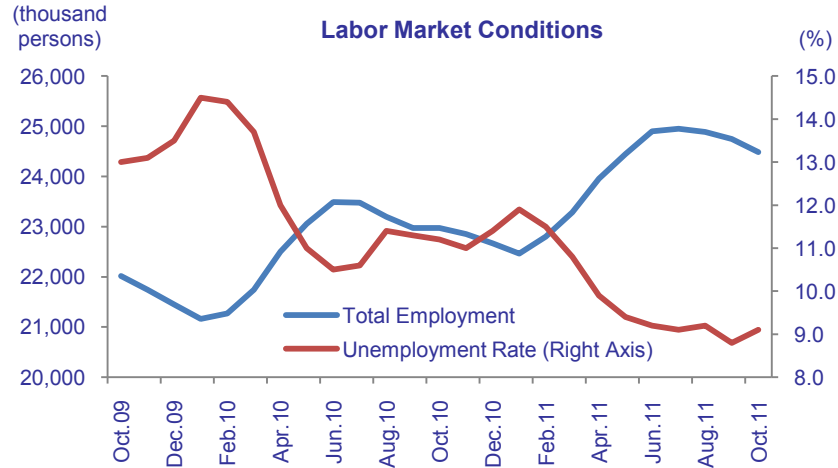


Source: Turkstat, CBRT

Unemployment rate fell by 2.1 points in October.

According to the Household Labor Force Survey, in October the unemployment rate fell by 2.1 points to 9.1% compared to the same month of the previous year. In the same period, seasonally adjusted unemployment rate was realized at 9.4%.

The number of employed persons in Turkey increased by 1,514 thousands to 24,486 thousands in October 2011. In this period, the share of the services, agricultural, industrial and construction sectors in total employment were 48%, 25.7%, 19% and 7.2%, respectively. While the share of the agricultural sector in total employment stayed constant, the share of the construction sector increased by 0.6 points whereas that of industrial and services sectors decreased by 0.6 and 0.1 points, respectively, compared to the same period of 2010.



Source: Turkstat

Lower than expected foreign trade deficit in December.

In December, exports increased by 5.6% while imports rose by only 0.2%, compared to the same month of the previous year. Monthly foreign trade deficit, which contracted in November on annual basis for the first time since October 2009, also decreased by 7.2% in December compared to the same month of the previous year and was realized as \$8.1 billion. As of the whole year, in 2011 foreign trade deficit widened by 47.7% compared to 2010.

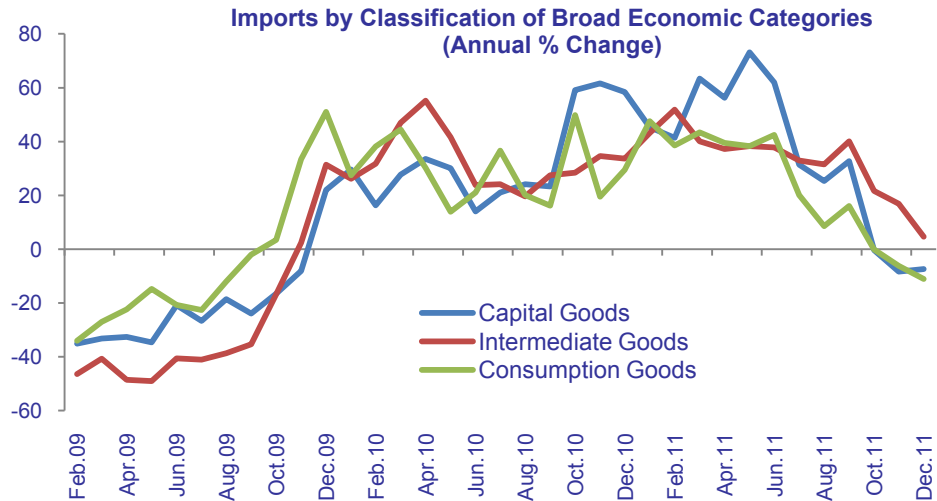
(\$ million)	December		Change (%)	Jan.-Dec.		Change (%)
	2010	2011		2010	2011	
Exports	11,823	12,484	5.6	113,883	134,954	18.5
Imports	20,559	20,590	0.2	185,544	240,833	29.8
Foreign Trade Balance	-8,736	-8,107	-7.2	-71,161	-105,879	47.7
Coverage Ratio (%)	57.5	60.6	-	61.4	56.0	-

Source: Turkstat

Contraction in imports of capital and consumption goods...

As a result of weakening domestic demand, the increase in imports continued to decelerate in December. Compared to the same month of the previous year, imports of intermediate goods increased by 4.6%, while imports of capital and consumption goods decreased by 7.4% and 11.1%, respectively.

Ongoing positive trend in foreign trade deficit due to the effects of rebalancing between domestic and external demand is expected to continue also during 2012.



In November, 12-month current account deficit has declined for the first time since 2009.

In November, current account deficit was realized as \$5.2 billion in line with the market expectations. Thus, the current account deficit (CAD) increased by 78% compared to the same period of 2010 and reached \$70.2 billion during January-November period of 2011. On the other hand, the 12-month CAD has declined for the first time since 2009 and was realized as \$77.8 billion. The contraction of the CAD after a long period of time has been evaluated as “the worst” regarding the CAD has ended.

(million \$)	Nov. 2011	Dec.10 - Nov.11	Jan.-Nov. 2010(I)	2011(II)	Change (II/I) (%)
Current Account Balance	-5,188	-77,820	-39,522	-70,241	77.7
Foreign Trade Balance	-6,255	-90,002	-49,187	-82,744	68.2
Services Balance	1,310	18,604	14,715	18,284	24.3
Tourism Revenues (net)	1,226	18,663	15,355	18,037	17.5
Income Balance	-351	-7,940	-6,313	-7,114	12.7
Current Transfers	108	1,518	1,263	1,333	5.5
Capital and Financial Accounts	4,504	65,006	35,485	57,328	61.6
Capital Accounts	0	-6	-50	0	-
Financial Accounts	4,504	65,012	35,535	57,328	61.3
Direct Investments (net)	218	11,926	5,726	10,023	75.0
Portfolio Investments (net)	2,692	19,084	16,102	19,093	18.6
Equity Securities	-269	-2,016	4,253	-1,231	-
Debt Securities	2,181	17,714	15,566	17,131	10.1
Other Investments (net)	3,532	39,105	25,058	31,857	27.1
Assets	3,307	14,115	6,772	13,796	103.7
Currency and Deposits	2,840	16,409	7,329	14,917	103.5
Liabilities	225	24,990	18,286	18,061	-1.2
Loans	1,288	22,563	5,018	18,758	273.8
Banking Sector	862	16,273	9,246	12,606	36.3
Non-Bank Sectors	979	6,785	-5,169	7,111	-
Deposits	36	-1,235	11,668	-3,355	-
Foreign Banks	-61	-1,073	10,774	-4,306	-
Foreign Exchange	-173	2,566	5,882	2,705	-54.0
Turkish Lira	112	-3,639	4,892	-7,011	-
Reserve Assets (net)	-1,938	-5,103	-11,351	-3,645	-67.9
Net Errors and Omissions	684	12,814	4,037	12,913	219.9

Source: CBRT

Capital outflows from equity markets...

Looking at the capital and financial accounts in November, it was seen that, net foreign direct investments displayed a weak outlook and were realized at the lowest level of last 10 months with \$218 million. As regards portfolio investments, capital outflows from equity market were observed in November and total outflows from this market reached \$1,231 million in the first eleven months of the year. On the other hand, \$1,545 million of capital inflows were registered in government domestic debt securities (GDDS) which brought the total amount of non-residents' purchases of GDDS to \$11,540 million in the first eleven months of the year. Moreover, with \$600

million eurobond issue by the banking sector in November, total amount of issues during the first 11 months in 2011 reached \$2,897 million.

Debt rollover ratio of the banking sector receded below %100 in November.

Net foreign credit usage by the banking sector, which was \$9,246 million in the first 11 months of 2010, increased by 36% to \$12,606 million during the same period of 2011. On the other hand, it was noteworthy that the long-term debt rollover ratio of the banking sector receded below 100% for the first time since February 2011. Non-banking sectors, which shifted their demand for FX loans from foreign banks to the domestic banks after the amendment to Decree No.32 in 2009, changed their position from net credit payer by \$5,169 million in the first 11 months of 2010 to net borrower by acquiring \$7,111 million in the same period of 2011. In November, the net errors and omissions item also continued to contribute to the financing of the current account deficit. In addition, official reserves increased by \$1.9 billion in November.

Risk perception of international markets might affect foreign credit supply.

In the coming months, the slowdown in domestic demand is expected to contribute more to the decline in foreign trade deficit. Also, during 2012, both the banking and real sectors ability to obtain loans from abroad is still expected to continue to play an important role in financing the current account deficit. On the other hand, the possibility of a sudden change in direction of capital movements due to the rising risk perception in the Euro Area constitutes the most important risk which may lead economic growth to slow down more than expected.

In 2011, central government budget performed better than targets.

Central government budget deficit, which was TL40 billion in 2010, declined to TL17.4 billion in 2011. On the other hand, primary surplus, which totalled TL8.2 billion in 2010, almost tripled to TL24.8 billion in 2011.

(TL million)	Dec. 2011	Annual % Change	Jan-Dec.		Annual % Change	Budget Target	Real./ Target (%)
			2010	2011			
Expenditures	40,974	6.2	294,359	313,302	6.4	312,573	100.2
Interest Exp.	1,226	-33.4	48,299	42,212	-12.6	47,500	88.9
Non-interest Exp.	39,748	8.2	246,060	271,090	10.2	265,073	102.3
Revenues	23,096	5.0	254,277	295,862	16.4	279,026	106.0
Tax Revenues	19,659	9.3	210,560	253,765	20.5	232,220	109.3
Other Revenues	3,437	-14.3	43,717	42,097	-3.7	46,807	89.9
Budget Balance	-17,878	7.8	-40,081	-17,439	-56.5	-33,546	52.0
Primary Balance	-16,652	-12.9	8,217	24,773	201.5	13,954	177.5

The numbers may not add to total due to rounding.

Source: Ministry of Finance

The increase in budget expenditures was limited while the revenues were realized above the targets.

Although 2011 was an election year, it was noteworthy that the budget discipline on the expenditure side was maintained. Non-interest expenditures increased by 10.2% compared to 2010 while interest expenditures decreased by 12.6%. Thus, the increase in total budget expenditures were limited to 6.4% and showed a consistent performance with the year-end targets.

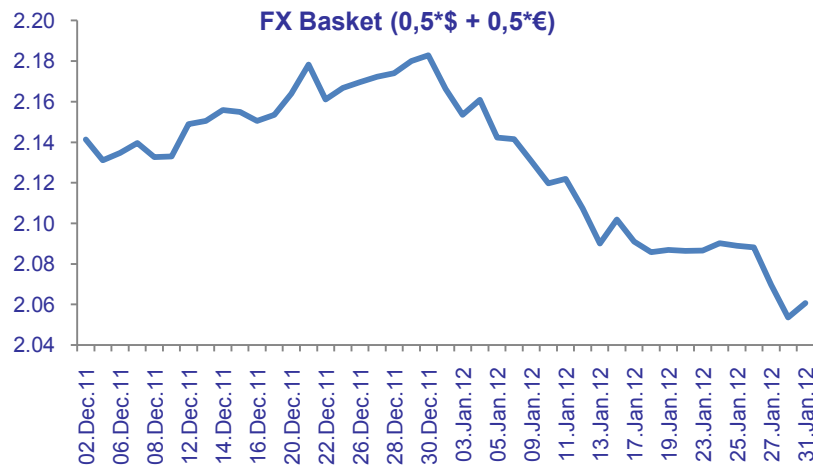
In terms of budget revenues, a positive performance beyond the targets was observed. Strong tax revenues in parallel with buoyant domestic demand, as well as contribution of the restructuring of public receivables were effective in this development. Thus, in 2011, tax revenues increased by 20.5% compared to 2010. According to the statement by the Minister of Finance, the central government budget deficit to GDP ratio is estimated to have realized as 1.4% in 2011, below the Medium Term Program target rate of 1.7%.

Continuation of budget discipline is important.

In an environment where many countries are struggling with the high public debts and budget deficit problems, fiscal discipline in 2012 would differentiate Turkey positively from other countries and help to lower the country's cost of borrowings.

Appreciation in TL...

In line with the acceleration of price increases since the last quarter of 2011, it was seen that CBRT put more emphasis on policies aiming to ensure price stability. In order to calm down the developments in FX rates which caused a rapid rise in inflation during the recent period, CBRT intervened in the FX markets intensively while implementing an extra set of monetary tightening measures to limit the second round effects of inflation. In January, due to these measures taken by CBRT and the accelerating foreign capital inflows before the Treasury auctions, TL appreciated against the Dollar significantly. Parallel to these developments, CBRT decided to suspend the regular foreign exchange selling auctions which were implemented since August 5th, while stating that it might supply liquidity to markets via intraday foreign exchange selling auctions which are thought to be more effective in this conjuncture.



Source: CBRT

Positive comments from CBRT...

CBRT decided to retain its policy rate, which is one-week repo rate, at 5.75% parallel to the expectations at its meeting on January 24th, while keeping its policy mix unchanged. CBRT, which made positive comments regarding to the recent developments in the current account deficit, stated that the current account deficit would continue to narrow gradually in the coming period. Furthermore, CBRT drew attention to the slowdown in domestic demand, while stating that net exports' contribution to economic growth increased.

CBRT announced the Inflation Report.

CBRT, announced the first Inflation Report of 2012. CBRT stated that the signals increased pointing out a further delay in the normalization of monetary policies of advanced economies. Thus, to keep the inflation in line with the targets CBRT announced that tight stance and flexibility of monetary policy should be kept. Under the assumption that the tight policy stance would be effective for a while, annualized credit growth would be around 15% and TL would follow a moderate appreciation trend, CBRT expects the year end inflation, with 70% probability, between 5.1% and 7.9% (mid-point of 6.5%) at the end of 2012, and between 3.3% and 6.9% (mid-point of 5.1%) at the end of 2013. CBRT expects the inflation to stabilize around 5% in the medium term.

BANKING SECTOR

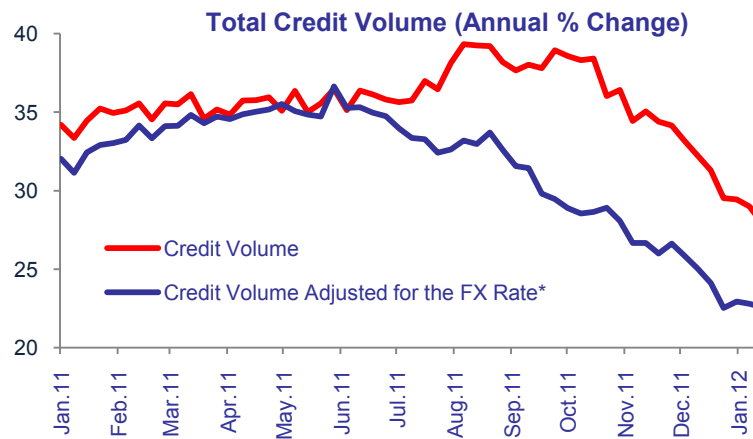
Total deposit volume decreased in the first three weeks of 2012.

According to the BRSA's Weekly Bulletin, as of January 20th, 2012, total deposit volume decreased by 1.8% compared to the end of 2011 and was realized as TL717.9 billion. During this period, TL deposits decreased by 2.1% while FX deposits in TL terms decreased by 1.2% parallel to the fall in FX rates.

Decline in total credit volume...

In the first three weeks of 2012, total credit volume decreased by 1.3% to TL684.5 billion compared to year-end 2011. In this period, while TL credit volume decreased by only 0.3%, the decline in total credit volume mainly stemmed from the decrease in FX loans in TL terms as a result of the fall in FX rates.

The deceleration in the annual increase of total credit volume, which has become more evident in the second half of 2011 after the measures taken by CBRT and BRSA, is anticipated to continue during 2012.



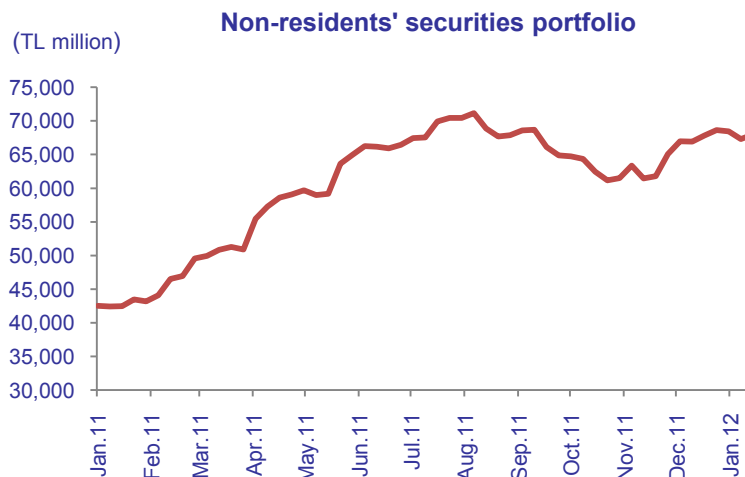
(*) 2010 year end USD/TL parity was held constant
Source: BRSA Weekly Bulletin

Securities portfolio...

Securities portfolio of the banking sector declined by 0.3% in the first three weeks of 2012 compared to the end of 2011. During this period, TL securities increased by 2.1% while FX securities in USD terms decreased by 8.0%.

Securities held in custody accounts...

As of January 20th, 2012, securities held in custody accounts increased by 0.6% to TL164.6 billion compared to the end of 2011. In the first three weeks of 2012, residents securities portfolio increased by 1.8% while non-residents' decreased their holdings by 1%.



Source: BRSA – Weekly Bulletin

Net FX position of the banking sector was realized as (+) \$514 million.

As of January 20th, 2012, net FX position of the banking sector was realized as (+) \$514 million. Banks' on-balance sheet FX position was (-) \$21,976 million while off-balance sheet FX position was (+) \$22,490 million. The banking sector, which kept its cautious stance on FX position during 2011, is anticipated to maintain this stance also in 2012.

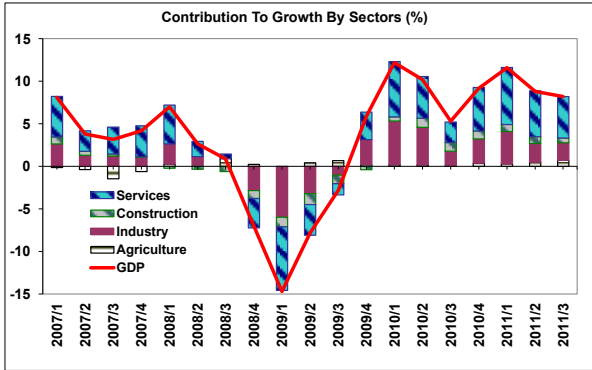
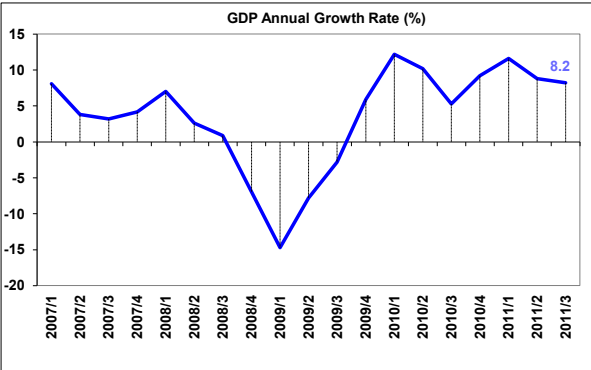
Expectations...

The problems originating from the Euro Area are expected to be on the top of the agenda of the markets in 2012 as well and continue to pose risk to global economy. In this context, several international institutions, including the IMF and the World Bank, revised their global economic growth forecasts for 2012 downwards. During 2012, the economic activity is estimated to follow a weak course in advanced economies in particular, thus the normalization of monetary policies in these countries would take a longer time.

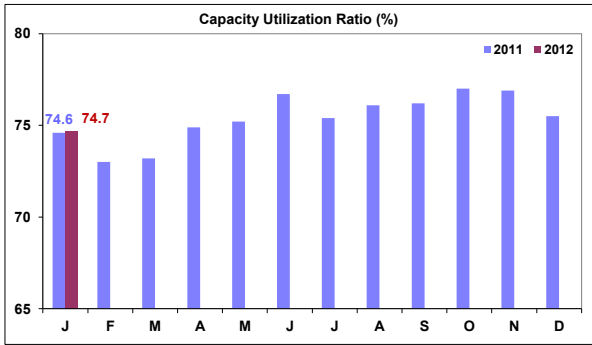
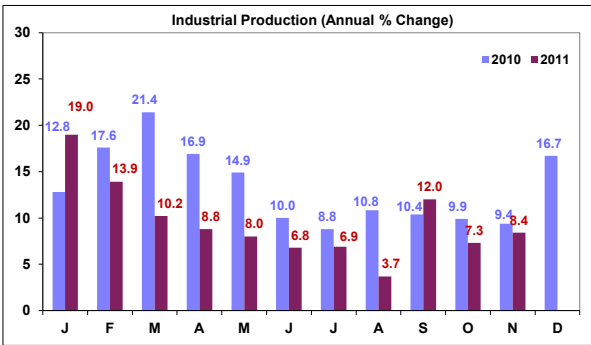
In Turkey, it is expected that the CBRT would continue its tight monetary stance for a while to keep the inflation in line with the targets. Thus, the slowdown in domestic economic activity is expected to continue while the annual increase in credit volume would decelerate.

TURKISH ECONOMY AT A GLANCE

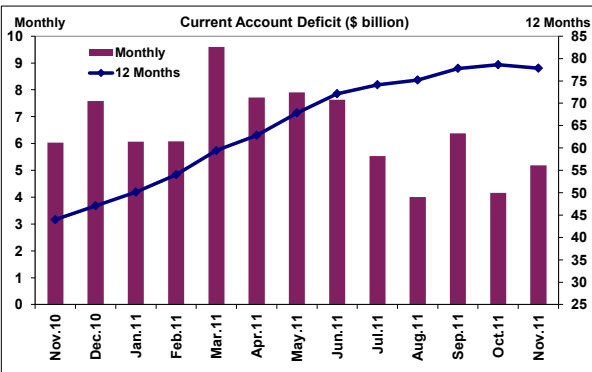
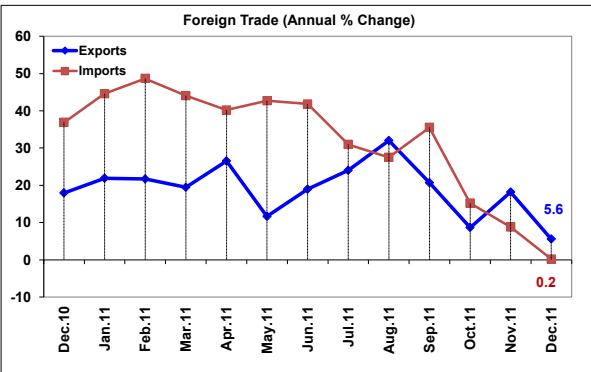
GROWTH



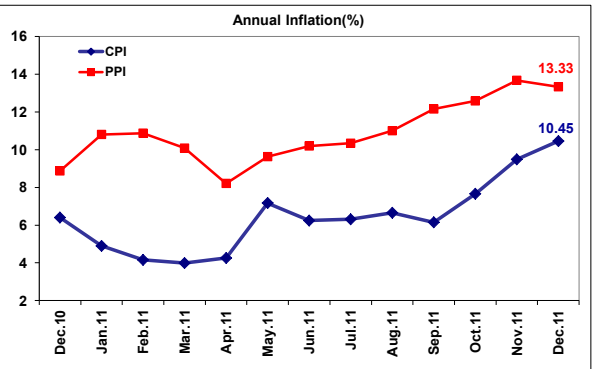
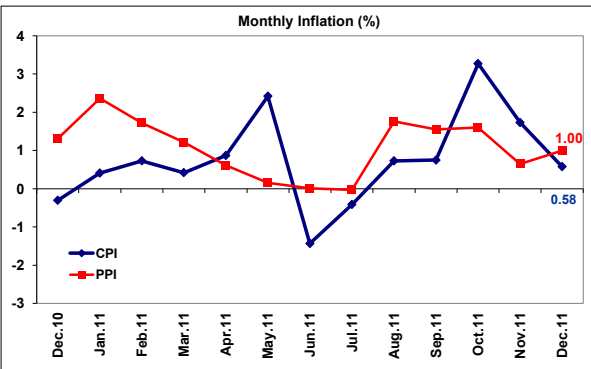
INDUSTRIAL PRODUCTION



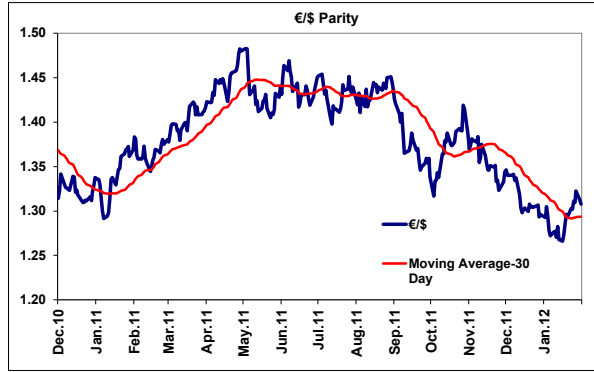
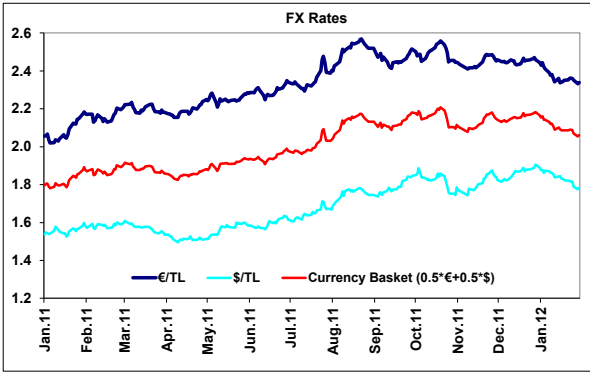
FOREIGN TRADE



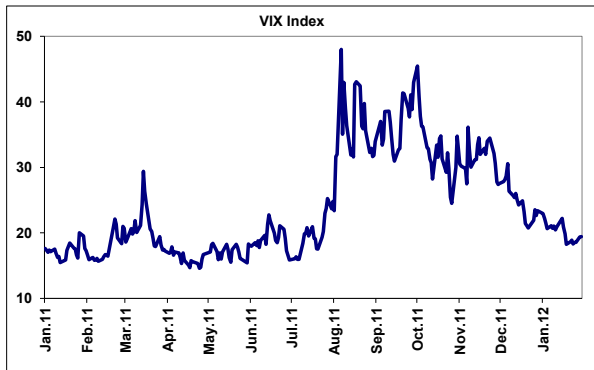
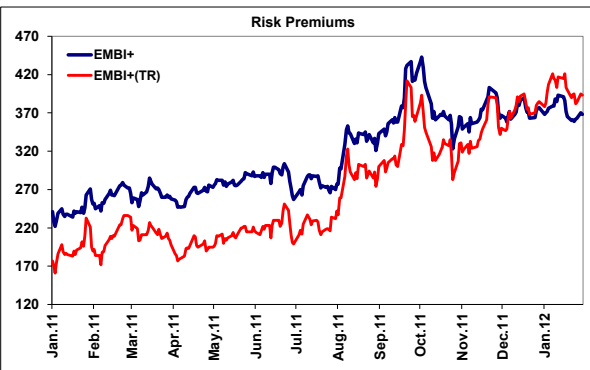
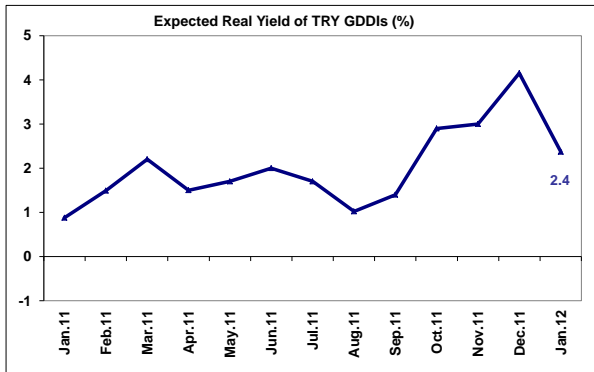
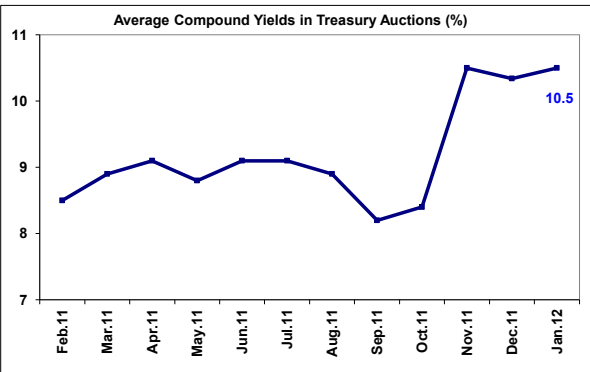
INFLATION



FX MARKETS

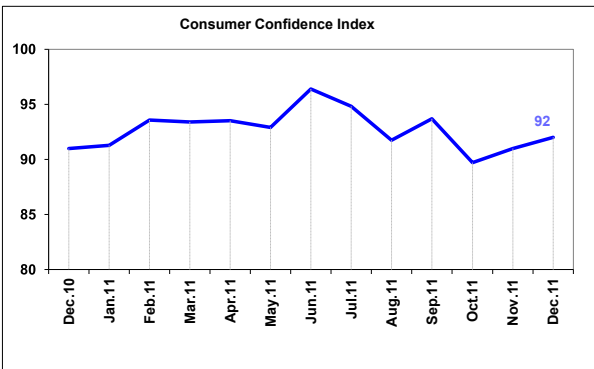
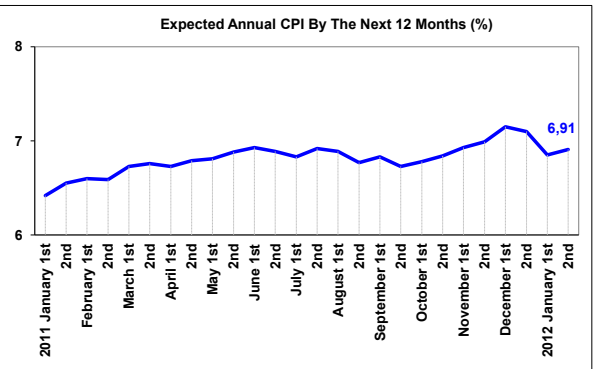
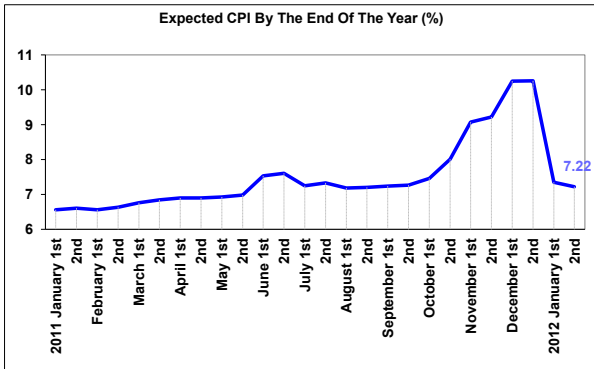
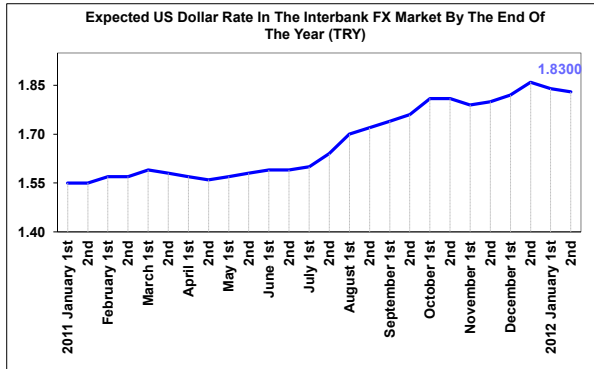
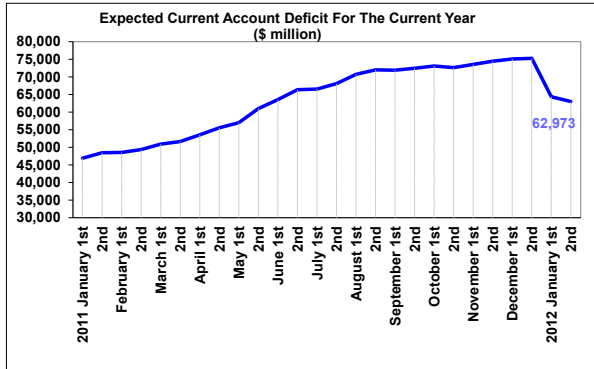
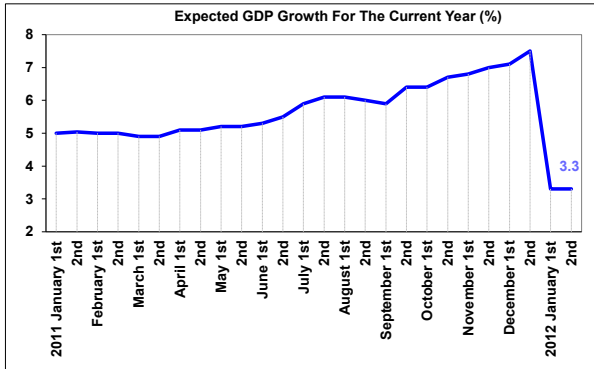


BOND-BILL MARKETS



Source: CBRT, Reuters, Ministry of Development, Istanbul Stock Exchange, JP Morgan, Chicago Board Options Exchange, Isbank Economic Research Division

SURVEY OF EXPECTATIONS AND OTHER LEADING INDICATORS



Source: CBRT, Turkstat

ECONOMIC INDICATORS

GROWTH	2005	2006	2007	2008	2009	2010	2011/Q1	2011/Q2	2011/Q3
GDP (\$ million)	481,497	526,429	648,754	742,094	616,703	734,929			
GDP Growth Rate (%)	8.4	6.9	4.7	0.7	-4.8	9.0	12.0	8.8	8.2
INFLATION (%)	2005	2006	2007	2008	2009	2010	Nov.11	Dec.11	
PPI (annual)	2.66	11.58	5.94	8.11	5.93	8.87	13.67	13.33	
CPI (annual)	7.72	9.65	8.39	10.06	6.53	6.40	9.48	10.45	
FX RATES	2005	2006	2007	2008	2009	2010	Nov.11	Dec.11	Jan.12
CPI Based Real Effective FX Rate Index	121.1	111.9	131.3	115.0	116.8	125.7	110.4	109.2	
\$/TRY	1.3430	1.4131	1.1647	1.5123	1.5057	1.5460	1,8439	1.9065	1.7819
Euro/TRY	1.5904	1.8586	1.7102	2.1408	2.1603	2.0491	2.4634	2.4592	2.3396
Euro/\$	1.1840	1.3196	1.4589	1.3978	1.4316	1.3377	1.3441	1.2945	1.3078
BALANCE OF PAYMENTS (\$ million)	2005	2006	2007	2008	2009	2010	Nov.11 ⁽¹⁾		
Exports	78,365	93,613	115,361	140,800	109,647	120,902	130,266		
Imports	111,445	134,669	162,213	193,821	134,497	177,347	213,010		
Foreign Trade Balance	-33,080	-41,056	-46,852	-53,021	-24,850	-56,445	-82,744		
Current Account Balance	-22,309	-32,249	-38,434	-41,959	-13,991	-47,101	-70,241		
CREDIT UTILIZATION FROM ABROAD (\$ million)	2005	2006	2007	2008	2009	2010	Nov.11 ⁽¹⁾		
Banks	9,248	5,814	5,609	3,267	-4,450	12,913	12,606		
Long Term	6,544	9,766	7,272	928	-1,662	895	4,249		
Short Term	2,704	-3,952	-1,663	2,339	-2,788	12,018	8,357		
Other Sectors	9,875	18,812	26,025	23,258	-10,375	-5,495	7,111		
Long Term	9,508	18,317	25,811	22,739	-9,673	-6,929	4,493		
Short Term	367	495	214	519	-702	1,434	2,618		
BUDGET (TRY million) ⁽¹⁾⁽²⁾	2005	2006	2007	2008	2009	2010	Nov.11	Dec.11	
Expenditures	159,687	178,126	204,068	227,031	268,219	294,359	272,328	313,302	
Interest Expenditures	45,680	45,963	48,753	50,661	53,201	48,299	40,986	42,212	
Non-Interest Expenditures	114,007	132,163	155,315	176,369	215,018	246,060	231,342	271,090	
Revenues	152,784	173,483	190,360	209,598	215,458	254,277	272,767	295,862	
Tax Revenues	119,628	137,480	152,835	168,109	172,440	210,560	234,106	253,765	
Other Revenues	33,156	36,003	37,525	41,490	43,018	43,715	38,660	42,097	
Budget Balance	-6,903	-4,643	-13,708	-17,432	-52,761	-40,081	439	-17,439	
Primary Balance	38,777	41,320	35,045	33,229	440	8,217	41,425	24,773	
CENTRAL GOVERNMENT DEBT STOCK (\$ billion)	2005	2006	2007	2008	2009	2010	Nov.11	Dec.11	
Domestic Debt Stock	182.4	178.9	219.2	181.7	219.2	228.2	197.8	195.2	
External Debt Stock	64.6	66.6	67.1	69.8	74.1	78.1	79.7	79.2	
Total	247.1	245.5	286.3	251.5	293.2	306.3	277.5	274.4	

Source: Turkstat, CBRT, Treasury, Ministry of Finance, Reuters

(1) Cumulative figures

(2) According to the Central Government Budget.

BANKING SECTOR

DEPOSITS	2008	2009	2010	2011(I)	20.Jan.12 (II)	Change* (%) (II/I)
Total Deposits (TRY million)	464,234	531,492	644,583	731,128	717,873	-1.8
TRY	299,270	348,167	447,551	473,244	463,098	-2.1
FX	164,965	183,325	197,032	257,884	254,775	-1.2
FX (\$ million)	111,321	123,185	128,610	137,376	141,234	2.8
FX deposits/Total deposits (%)	35.5	34.5	30.6	35.3	35.5	-
SECURITIES HELD IN CUSTODY ACCOUNTS (TRY million) (market value)	2008	2009	2010	2011(I)	20.Jan.12 (II)	Change* (%) (II/I)
Total	96,779	115,255	127,965	163,524	164,576	0.6
Residents	69,739	88,363	87,372	94,870	96,621	1.8
Non-Residents	27,040	26,892	40,593	68,654	67,955	-1.0
SECURITIES PORTFOLIO (TRY million)	2008	2009	2010	2011(I)	20.Jan.12 (II)	Change* (%) (II/I)
Total	192,834	262,852	287,902	285,106	284,131	-0.3
CREDITS (TRY million)	2008	2009	2010	2011(I)	20.Jan.12 (II)	Change* (%) (II/I)
Credit Volume	373,862	400,510	535,336	693,384	684,496	-1.3
TRY	267,093	293,425	389,329	490,634	489,028	-0.3
FX	106,770	107,085	146,007	202,749	195,469	-3.6
Retail Loans	156,029	168,693	227,985	301,245	300,803	-0.1
Consumer and Installment Com. Loans	121,799	131,213	182,794	243,296	243,666	0.2
Consumer Loans	83,219	93,319	129,041	168,431	168,246	-0.1
Housing	39,278	44,896	60,800	74,588	74,550	-0.1
Automobile	5,530	4,421	5,666	7,365	7,305	-0.8
Personal Finance Loans	33,206	38,396	45,843	62,087	61,877	-0.3
Consumer and Commercial Credit Cards	34,230	37,480	45,191	57,949	57,137	-1.4
Retail Loans/Total Credits (%)	41.7	42.1	42.6	43.4	43.9	-
NPL RATIO (%)	2008	2009	2010	2011(I)	20.Jan.12	
Total Loans	3.4	5.1	3.6	2.6	2.7	
Retail Loans	3.8	6.6	4.4	3.0	3.0	
Consumer and Installment Com. Loans	2.9	5.4	3.5	2.4	2.4	
Consumer Loans	2.2	4.1	2.7	1.9	1.9	
Consumer and Commercial Credit Cards	6.7	10.4	7.9	5.7	5.9	
BANKING SECTOR NET FX POSITION (\$ million)	2008	2009	2010	2011(I)	20.Jan.12	
Total	16	408	41	330	514	
On-Balance Sheet	-3,015	-11,528	-13,917	-17,761	-21,976	
Off-Balance Sheet	3,032	11,936	13,958	18,091	22,490	

Source: BRSA

(*) Year to date change

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