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## MONTHLY ECONOMIC REVIEW

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Economic Research Department  
February 2007

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- ▶ *In January, the positive economic data released in the US and Euro area together with the fall in oil prices supported the optimistic sentiment in global markets. Hence, the global risk perception remained low.*
  - ▶ *The EU Permanent Representatives Committee decided to send the invitation document to Turkey to open the negotiations on “Statistics” and “Economic and Monetary Union” chapters after its invitation on “Enterprise and Industrial Policy” chapter. Thus, the number of chapters to be opened increased to three.*
  - ▶ *The removing of the isolations on Turkish Republic of Northern Cyprus was discussed in the EU meeting on January 22 and it was agreed upon to start direct trade regulations without delay.*
  - ▶ *Consumption and investment expenditures, which lost momentum in the last two quarters of 2006, are expected to continue this trend in the first half of 2007. However, in the second half of 2007, the economic activity is anticipated to gain momentum together with the completion of the presidency elections and approaching general elections. In this respect, growth is estimated to be around 5%.*
  - ▶ *We expect that the foreign direct investments in 2007 might stay below their level in 2006 due to the postponed auctions of electricity distribution companies and the possible delay in the privatization of Halk Bank. In 2007, it is estimated that the foreign direct investment would be minimum \$12 billion, including the payments of the sale agreements made in previous years, especially the ones of Akbank and Turk Telekom.*
  - ▶ *Services inflation, the uncertainties concerning the lagged effects of the monetary policy on the aggregate demand and the sudden appearance of the volatility in the global markets are regarded as the main risk components to reach the inflation target by the Central Bank.*

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## TURKISH ECONOMY

***Cautiously optimistic sentiment in the global markets continued.***

In January, the positive economic data released in the US and Euro area together with the fall in oil prices supported the optimistic sentiment in global markets. Hence, the global risk perception remained low.

In Turkey, however, markets also watched the EU accession process, the opening-up of trade ties between EU and Turkish Republic of Northern Cyprus and the approaching presidency elections.

***Three chapters would be opened to negotiations.***

EU's decision regarding the suspension of negotiations in eight chapters and closing the remaining chapters on condition that the Additional Protocol was implemented, pointed out that problems might be confronted due to the Cyprus issue during the negotiations process. The EU Permanent Representatives Committee decided to send the invitation document to Turkey to open the negotiations on "Statistics" and "Economic and Monetary Union" chapters after its invitation on "Enterprise and Industrial Policy" chapter. Thus, the number of chapters to be opened increased to three. The removing of the isolations on Turkish Republic of Northern Cyprus was discussed in the EU meeting on January 22 and it was agreed upon to start direct trade regulations without delay.

The presidency elections in May and the general elections in November point out that the political agenda would weigh on the markets in 2007. The candidates for presidency are not expected to be announced before April 2007. The presidential election process and its result would also influence the general elections. The continuation of the economic policies depends on the maintenance of political stability.

***The Treasury issued \$2.6 billion of eurobonds.***

Within the framework of the 2007 external borrowing programme, the Treasury issued Eurobonds and raised \$2.6 billion of funds. Thus, 47.3% of the 2007 external borrowing target of \$5.5 billion was reached.

***Industrial production displayed a strong outlook in the last quarter.***

In November, the industrial production index increased by 10.9% compared to the same month of the previous year. The industrial production lost momentum in the first months of 2006 due to the holidays, unfavorable weather conditions and bird flu cases. Following the acceleration in the second quarter, it slowed down in the August-October period as a result of the May-June turmoil. However, it regained momentum in November and increased above expectations in line with the strong course of the euro against dollar and TRY and the buoyant economic activity in the Euro area.

<b>Highest and Lowest Contributions (% points)</b>			
<b>Monthly (November 2006)</b>		<b>Annual (January-November 2006)</b>	
<i>Fabricated metal products</i>	1.94	<i>Machinery and equipment</i>	1.15
<i>Machinery and equipment</i>	1.89	<i>Electrical machinery and equipment</i>	0.96
<i>Motor vehicles and trailers</i>	1.63	<i>Basic metals</i>	0.95
<i>Basic metals</i>	1.46	<i>Chemicals</i>	0.88
<i>Other transport</i>	-0.10	<i>Communication and apparatus</i>	-0.20
<i>Furniture</i>	-0.14	<i>Wearing apparel</i>	-0.21
<i>Chemicals</i>	-0.37	<i>Rubber and plastic products</i>	-0.39

Source: Turkstat, Economic Research Department

***Export-oriented sectors performed robustly.***

In the first eleven months of 2006, manufacture of machinery and equipment displayed the highest performance and supported the increase in industrial production. Indeed, the production in this group, including durable goods, increased by 21.2% in the January-November period. During the same period, basic metal industry covering the iron and steel production, one of the major export-oriented sectors, also significantly contributed to industrial production.

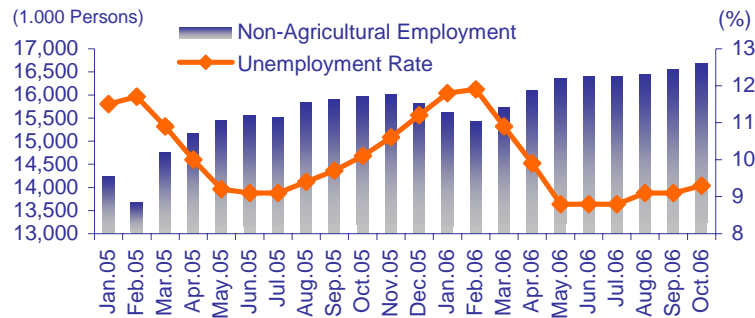
*Moderate revival in domestic demand...*

Both consumption and investment expenditures slowed down in the third quarter following the turmoil in May and June. The impact of the high interest rates on growth might also be visible in the last quarter's figures. However, in the last quarter relatively positive market sentiment might improve the consumption expenditures to a certain extent. According to the seasonally adjusted domestic demand indicators published by the CBRT, it is observed that assessments for the last quarter of 2006 have improved significantly while expectations for the next coming three months are on the positive side. **In this context, it is estimated that the last quarter growth rate would be realized below the first two quarters but above the third quarter thanks to the strong pace of exports especially in November and December. Therefore, we expect the growth rate of 2006 to be realized around 5.5%.**

**Consumption and investment expenditures, which lost momentum in the last two quarters of 2006, are expected to continue this trend in the first half of 2007. In the second half of 2007, however, the economic activity is anticipated to gain momentum together with the completion of the presidency elections and approaching general elections. In this respect, growth in 2007 is estimated to be around 5%.**

*Unemployment rate continued to decline.*

According to the October Household Labor Survey covering the September-November period of 2006, total employment increased by 608 thousand persons to 22.8 million compared to the same period of the previous year while unemployment rate declined by 0.8 points to 9.3%.



Source: Turkstat

Analysis of employment in non-agricultural sectors reveals that the shares of services, industry and construction increased to 46.9%, 20.1% and 6.2% respectively. The share of agriculture, on the other hand, decreased to 26.8%. We think that the increase of employment in non-agricultural sectors would continue to be limited in line with the slowdown in consumption and investment expenditures in the first half of 2007.

Breakdown of Employment by Sectors (1,000 persons)	October				
	2005	Share(%)	2006	Share (%)	Difference
<b>Agriculture</b>	6,213	28.0	6,109	26.8	-104
<b>Non-agriculture</b>	15,984	72.0	16,696	73.2	712
<b>Industry</b>	4,403	19.8	4,586	20.1	183
<b>Construction</b>	1,238	5.6	1,420	6.2	182
<b>Services</b>	10,343	46.6	10,690	46.9	347
<b>TOTAL</b>	22,197	100.0	22,805	100.0	608

Source: Turkstat

*December foreign trade deficit was realized below expectations.*

Exports, which reached a record level in November, continued to display a robust performance in December and were realized as \$8.4 billion. The foreign trade deficit decreased by 30.5% compared to the same period of the previous year thanks to the level of imports amounted to \$11.5 billion. Throughout 2006, exports

and imports increased by 15.9% and 17.3% respectively compared to 2005. The upbeat performance of the exports in the latest months supports our view that the fourth quarter growth performance would be above that of in the third quarter.

In 2006, the highest increase in exports was experienced in the electrical machinery and equipment including durable consumer products. This sector was followed by the basic metal industry. The automotive sector was among the prominent sectors with an increase of 23.9% compared to the same period of the previous year. However, textile and clothing exports showed limited increases. On the imports side, the refined petroleum products and basic metals increased rapidly with the surge in the oil prices. Besides, the 38% increase in the clothing imports was noteworthy.

Imports of 2006 were composed of 71.7% intermediate goods, 16.2% capital goods and 11.6% consumer goods. The ratio of exports to imports declined to 62.1% in 2006.

According to the data released by the Turkish Exporters Assembly, despite losing momentum exports kept high performance in January 2007 and increased by 34.2% compared to the same month of the previous year and reached \$6.6 billion.

(\$ million)	December		Change	Jan.-Dec.		Change
	2005	2006	(%)	2005	2006	(%)
Exports	7,246	8,447	16.6	73,476	85,142	15.9
Imports	11,683	11,530	-1.3	116,774	137,032	17.3
Foreign Trade Deficit	-4,436	-3,084	-30.5	-43,298	-51,891	19.8
Coverage Ratio (%)	62.0	73.3		62.9	62.1	

Source: Turkstat

**Current account deficit reached \$33.7 billion in the last twelve months.**

In November, the current account deficit was realized as \$3.2 billion, parallel to the expectations. Despite the robust performance of the exports, the ongoing increase in the imports led the foreign trade deficit to widen. In November, an upward revision was made especially on the shuttle trade figures of the July-September period, therefore current account deficit amounted to \$33.7 billion in the last twelve months.

**Almost 60% of the current account deficit was financed by foreign direct investments.**

Analyzing the financing side, the net foreign direct investments were \$2.1 billion in November of which \$1.5 billion composed of the second payment of the Oger Telecommunications to Turk Telekom A.S.. In the first eleven months, net direct investments reached \$17.3 billion and financed almost 60% of the current account deficit.

**The foreign direct investments would continue in 2007.**

**We expect that the foreign direct investments in 2007 might stay below their level in 2006 due to the postponed auctions of electricity distribution companies and the possible delay of the privatization of Halk Bank. In 2007, it is estimated that the foreign direct investment would be minimum \$12 billion, including the payments of the sale agreements made in previous years, especially the ones of Akbank and Turk Telekom.**

	November	January-November		Change
(\$ million)	2006	2005	2006	(%)
<b>Current Account Balance</b>	<b>-3,152</b>	<b>-19,393</b>	<b>-29,915</b>	<b>54.3</b>
Foreign Trade Balance	-3,071	-29,466	-37,440	27.1
Services Balance	478	13,912	11,726	-15.7
Tourism Revenues (net)	778	14,802	13,768	-7.0
Investment Revenues Balance	-750	-5,152	-5,757	11.7
Current Transfers	191	1,313	1,556	18.5
<b>Capital and Financial Accounts</b>	<b>1,431</b>	<b>15,227</b>	<b>30,195</b>	<b>98.3</b>
Foreign Direct Investments (net)	1,971	6,452	17,294	168.0
Portfolio Investments (net)	1,093	11,147	7,974	-28.5
Other Investments (net)	-2,060	12,978	8,372	-35.5
Reserve Assets (net)	427	-15,350	-3,445	-77.6
<b>Net Errors and Omissions</b>	<b>1,721</b>	<b>4,166</b>	<b>-280</b>	<b>-</b>

Source: CBRT

**The decrease in oil prices might limit the current account deficit in 2007.**

We forecast that the current account deficit would be around \$33 billion in 2006. It is calculated that a \$/barrel 10 crude oil increase would initiate \$1.6 billion extra burden on the current account. Considering the delayed effects of the change in oil prices on sectors such as mineral oils and natural gas, a change of \$/barrel 10 in crude oil affects the current account deficit to GNP ratio by about 1 point. **We expect that if the oil prices remain at \$/barrel 50-55 levels, this would have a positive impact on the current account deficit. In this respect, we forecast that the current account deficit would be \$30.5 billion in 2007 and the deficit to GNP ratio would be around 7.5%.**

**Although the fiscal discipline continues, interest rates are not expected to decline significantly.**

In the 2007 budget, it is anticipated that the increase in expenditures would be around 16.9% while there would be a slowdown in the expansion of revenues and a rise in the share of the current transfers in the expenditures. However, keeping in mind that there is a low probability to reach the inflation targets, we think that the authorities have to keep the fiscal discipline to reach the primary surplus considering the relations with the IMF. However, in our opinion, there would not be a significant fall in the GDDI interest rates due to the elections agenda in 2007.

**CBRT expects that an improvement in inflation figures is likely in the second quarter.**

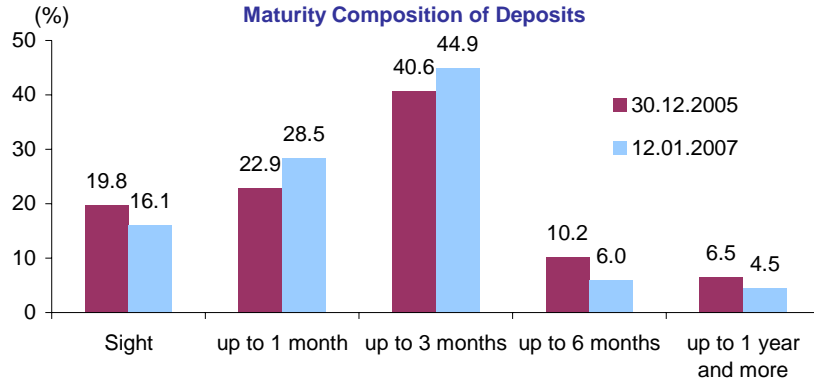
In the CBRT's Inflation Report, it is expected that 2007 year-end inflation would be between 3.6% and 6.6% (mid point is 5.1%) with 70% probability, and for 2008, it would be between 1.6% and 5.2% (mid point is 3.4%) under the assumptions that the short-term interest rates are kept unchanged for the first three quarters of 2007 and then reduced gradually. It is also mentioned that the decreasing tendency of the inflation would be more visible in the second and third quarters of 2007 and the tight monetary policy should be maintained in order to reach the medium-term inflation target of 4%.

It is highlighted that in the previous years, the tight fiscal policy was very encouraging to decrease the inflation to single digits and the continuity of the fiscal discipline and the structural reforms are still keeping their importance in order to reach the medium-term inflation targets. However, services inflation, the uncertainties concerning the lagged effects of the monetary policy on the aggregate demand and the sudden appearance of the volatility in the global markets are regarded as the main risk components to reach the inflation target.

## BANKING SECTOR

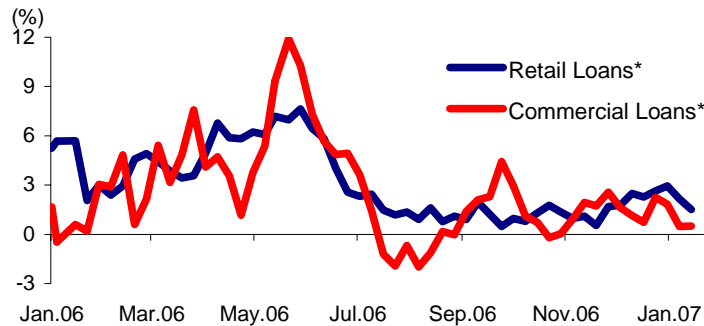
### *FX deposits in dollar terms continue to increase.*

The banking sector deposit volume, which rose by 22.1% in 2006, amounted to TRY300.4 billion as of January 19, 2007, with a 1.7% increase compared to the same week of the previous month. This increase was attributable to the rise in FX deposits by 2.9%. When the maturity structure is taken into account, it is visible that up to 3 months maturity deposits still have the highest share and the share of the longer term maturity deposits decreased compared to the year-end of 2005.



### *Limited growth in credit volume...*

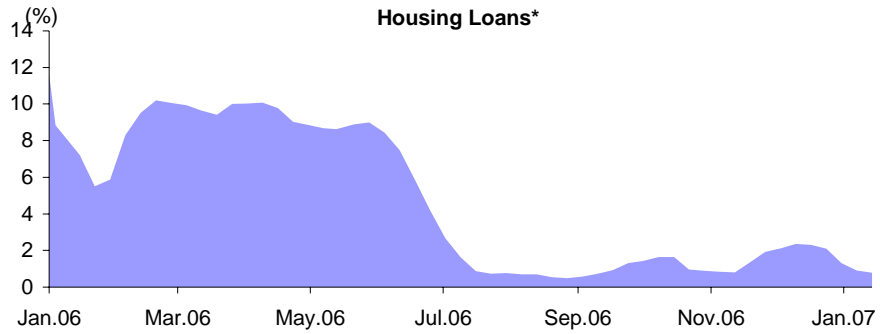
After the May-June turmoil, the increase in the credit volume has lost momentum. Not only the monthly rate of increase in consumer loans but also that of commercial loans has displayed a declining trend since June 2006. This trend, confirming the slowdown in the consumption and investment expenditures of the private sector experienced in the third quarter of 2006, is expected to continue in the first half of 2007. However, it is anticipated that the growth in credit volume will be stimulated after the elections.



Change over the same week of the previous month.

(\*) Retail loans are composed of consumer loans and individual credit cards. Commercial loans are composed of spot loans, installment commercial loans, commercial credit cards and other loans.

As of January 19, 2007, the banking sector credit volume increased by 0.8% compared to the same week of the previous month. This increase stemmed from the rise in individual credit cards and consumer loans. The housing and personal finance loans supported the rise in consumer loans. While the declining trend in the vehicle loans persisted since the second half of June, there was a gradual revival in the growth rate of the housing loans in recent months.



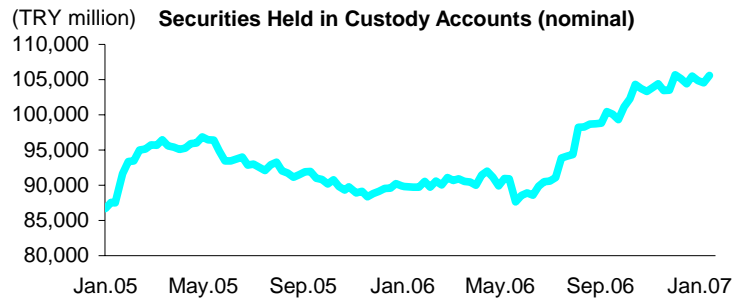
(\*) Change over the same week of the previous month.

**The securities portfolio of banks displays a stable pattern.**

The securities portfolio of the banking sector, which followed an upward trend in the first half of 2006, kept its high level compared to the year-end of 2005. However, the growth in the securities portfolio of banks slowed down after June as a result of increasing interest rates. As of January 19, 2007, securities portfolio of the banking sector did not show any significant change when compared to the same week of the previous month. The slowdown of the credit volume growth in the first half of 2007 may lead to an increase in the banks' holdings of securities.

**The securities held in custody accounts keep its high level.**

The securities held in custody accounts of banks, which displayed a stable outlook between January-April period of 2006, started to decline since May. Afterwards, a rapid increase was recorded with the help of tax reductions. We expect that the non-residents' interest on GDDIs would persist due to the continuing high real interest rates in 2007.



Till the announcement made on January 11<sup>th</sup>, 2007 about abolishing the requirement for foreign funds to provide residential papers in order to be exempt from the withholding tax on certain financial instruments, the securities portfolios followed a declining trend at the beginning of the year 2007. Following the declaration, they started to increase. In fact, the securities held in custody accounts of banks reached TRY105.6 billion increasing by 1.2% compared to the same week of the previous month.

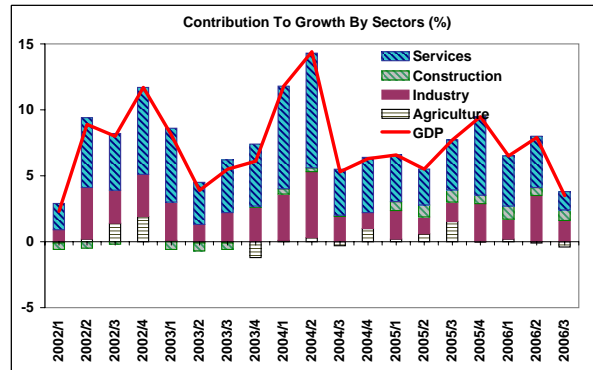
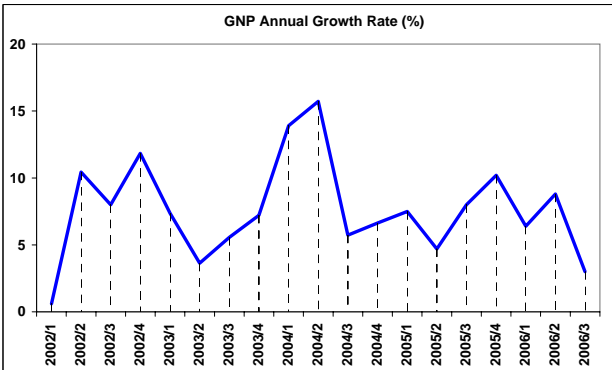
**Banking sector is in long position.**

As of January 19, 2007, the banking sector's long position was realized as \$1 million. The banking sector has been in long position since July 2006.

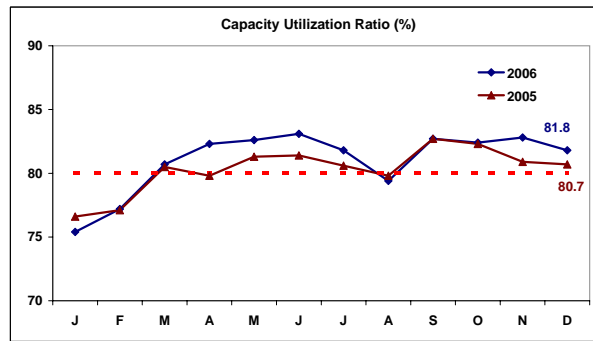
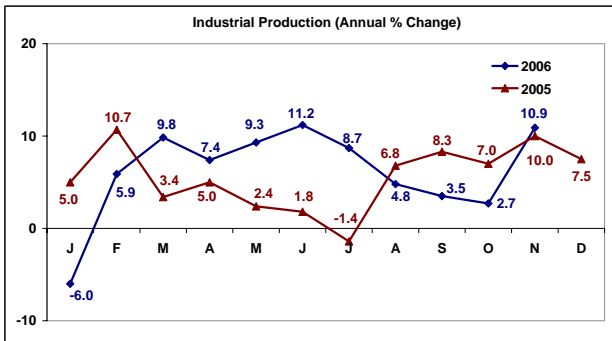
ECONOMIC INDICATORS

THE TURKISH ECONOMY AT A GLANCE

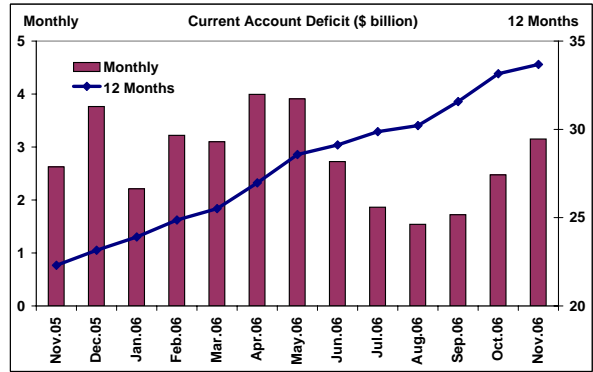
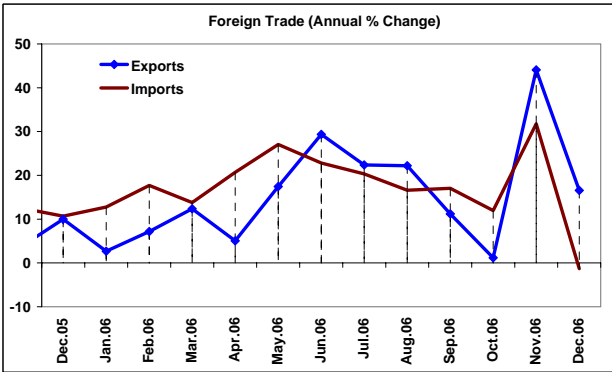
GROWTH



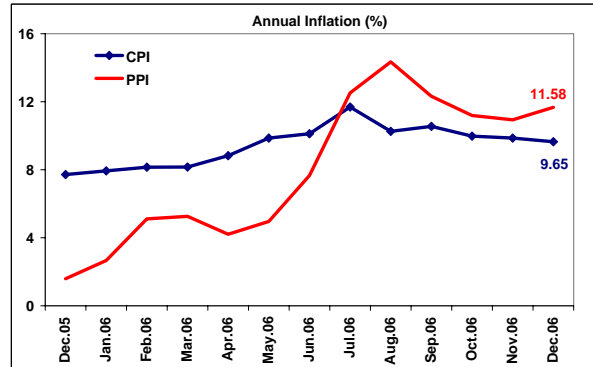
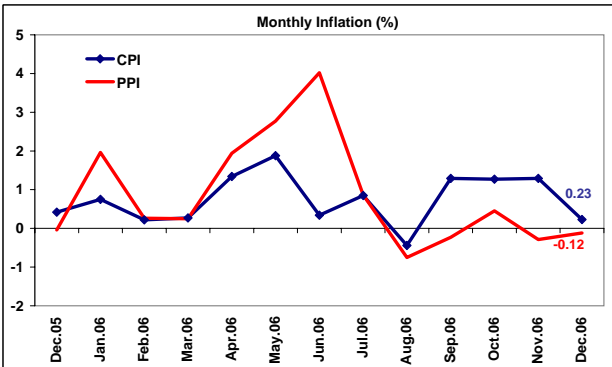
INDUSTRIAL PRODUCTION



FOREIGN TRADE

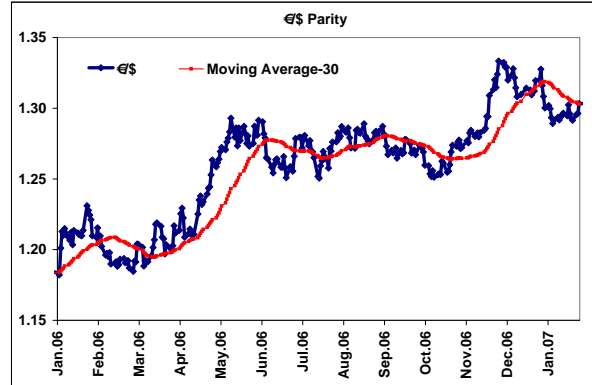
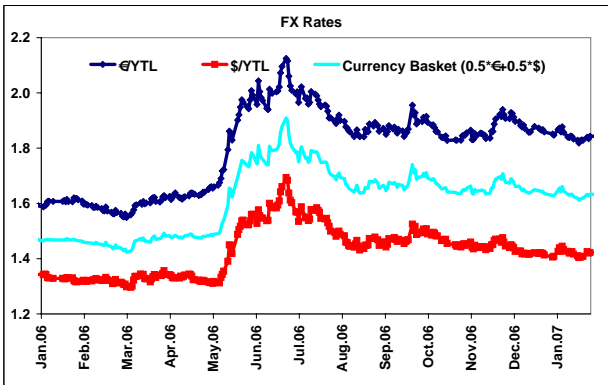


INFLATION

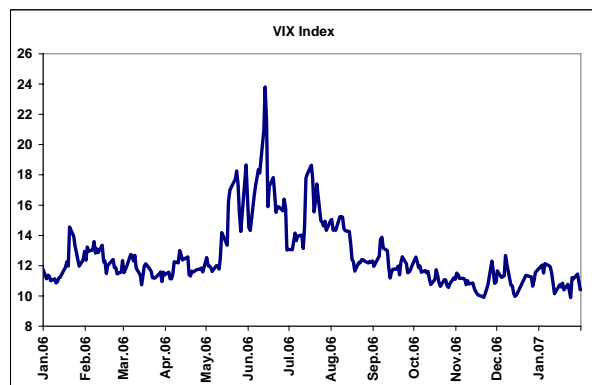
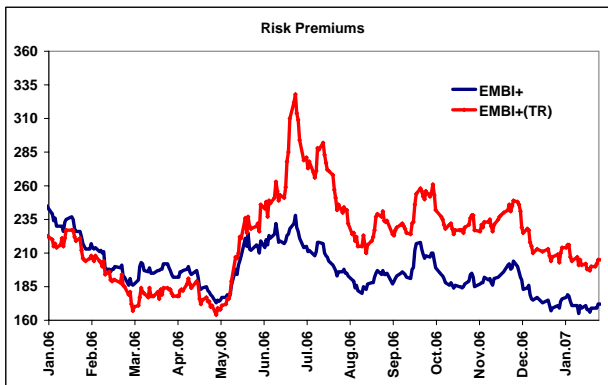
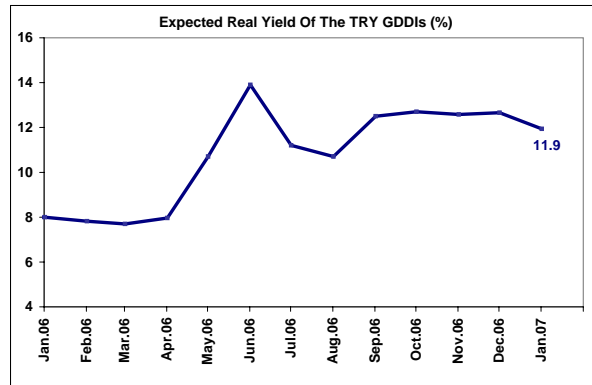
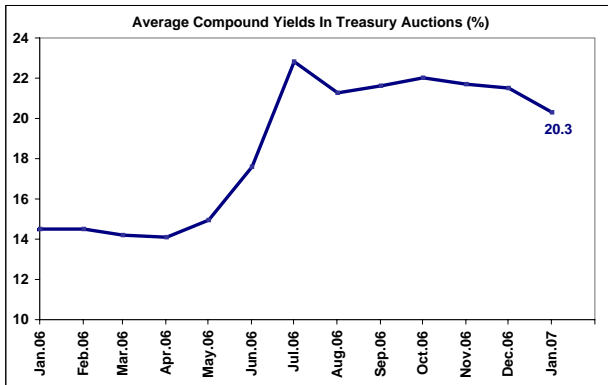


Source: CBRT, Turkstat, Is Bank Economic Research Department

## FX MARKETS

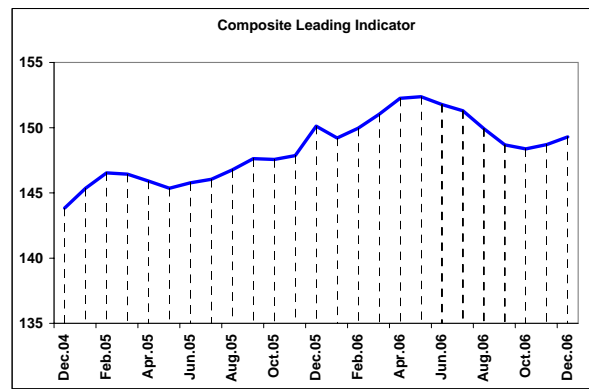
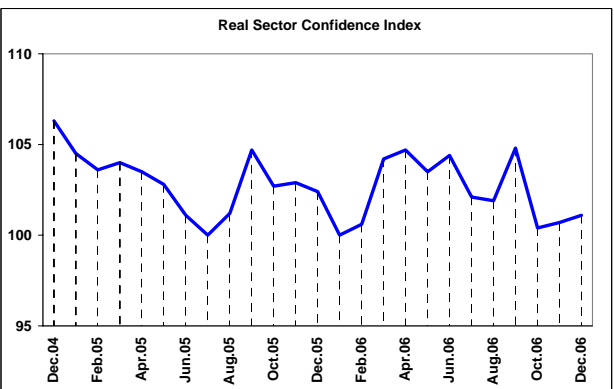
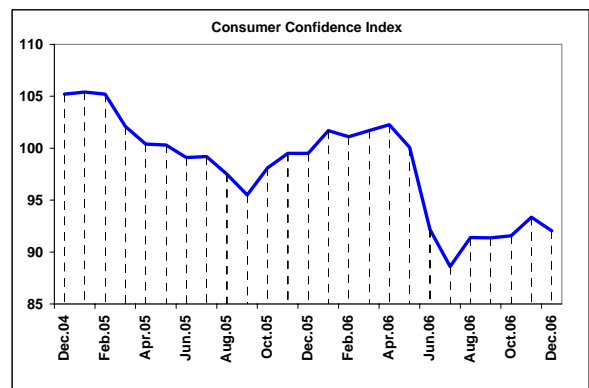
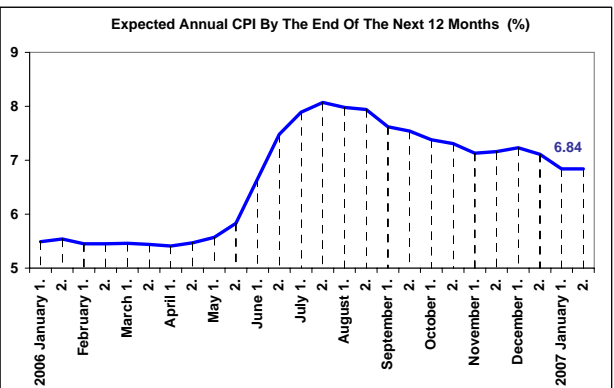
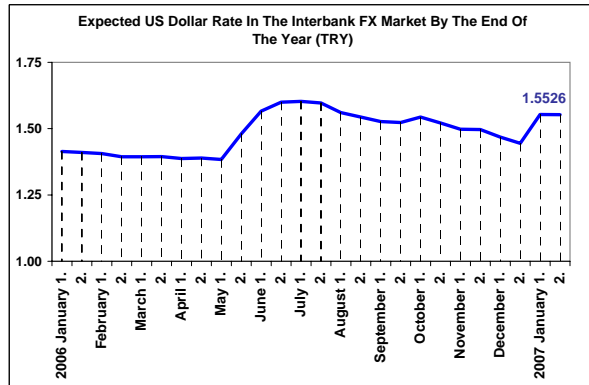
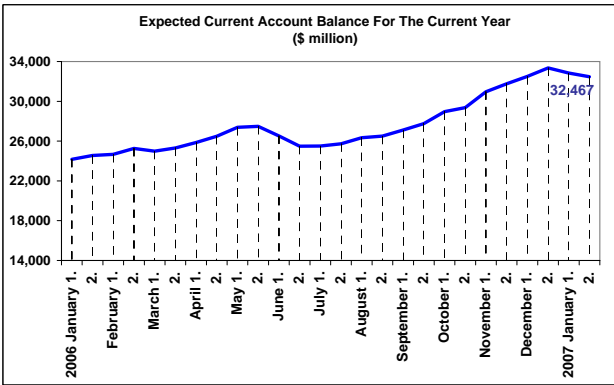
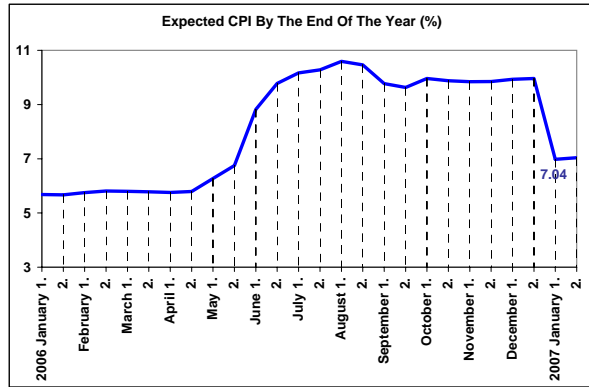
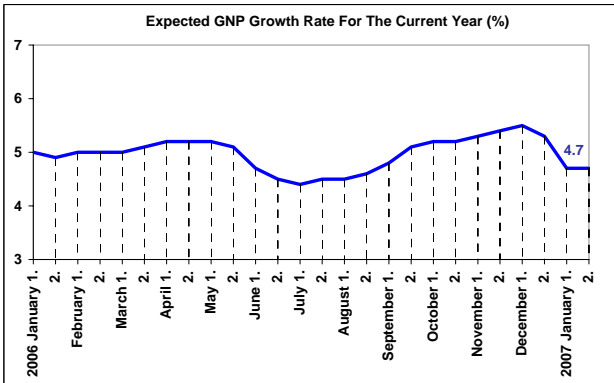


## BOND-BILL MARKETS



Source: CBRT, Reuters, State Planning Organization, Istanbul Stock Exchange, JP Morgan, Chicago Board Options Exchange, Is Bank Economic Research Department

# SURVEY OF EXPECTATIONS AND OTHER LEADING INDICATORS



Source: CBRT

	2002	2003	2004	2005			2006 <sup>(1)</sup>	2007
<b>GROWTH</b>								
					Oct.	Nov.	Dec.	Jan.
<b>GNP (\$ million)</b>	180,888	239,235	299,475	360,876	80,424 <sup>(2)</sup>	91,965 <sup>(3)</sup>	117,713 <sup>(4)</sup>	
<b>GNP Growth Rate (%)</b>	<b>7.9</b>	<b>5.9</b>	<b>9.9</b>	<b>7.6</b>	<b>6.4<sup>(2)</sup></b>	<b>8.8<sup>(3)</sup></b>	<b>3.0<sup>(4)</sup></b>	
<b>INFLATION (%)</b>								
<b>PPI (annual)</b>	30.8	13.9	15.34	2.66	10.94	11.67	11.58	
<b>CPI (annual)</b>	29.7	18.4	9.35	7.72	9.98	9.86	9.65	
<b>FX RATES</b>								
<b>CPI Based Real Effective FX Rate Index</b>	<b>125.4</b>	<b>140.6</b>	<b>143.2</b>	<b>171.4</b>	<b>158.3</b>	<b>160.7</b>	<b>160.2</b>	
<b>\$/TRY</b>	1.6345	1.3958	1.3421	1.3430	1.4501	1.4600	1.4131	1.4221
<b>Euro/TRY</b>	1.7035	1.7451	1.8268	1.5904	1.8450	1.9211	1.8586	1.8432
<b>Euro/\$</b>	1.0496	1.2586	1.3558	1.1840	1.2761	1.3240	1.3196	1.3033
<b>BALANCE OF PAYMENTS (\$ million)</b>								
<b>Exports</b>	36,059	47,253	63,167	73,476	69,843	76,695	85,142	
<b>Imports</b>	51,554	69,340	97,540	116,774	112,756	125,502	137,032	
<b>Foreign Trade Balance</b>	<b>-15,495</b>	<b>-22,087</b>	<b>-34,373</b>	<b>-43,298</b>	<b>-44,623</b>	<b>-48,807</b>	<b>-51,891</b>	
<b>Current Account Balance</b>	<b>-1,524</b>	<b>-8,036</b>	<b>-15,604</b>	<b>-23,157</b>	<b>-26,763</b>	<b>-29,915</b>		
<b>CREDIT UTILIZATION FROM ABROAD (\$ million)</b>								
<b>Banks</b>	<b>-1,028</b>	<b>1,975</b>	<b>5,708</b>	<b>9,248</b>	<b>4,868</b>	<b>4,027</b>		
Long Term	-297	-40	2,361	6,544	5,753	5,490		
Short Term	-731	2,015	3,347	2,704	-885	-1,463		
<b>Other Sectors</b>	<b>371</b>	<b>1,022</b>	<b>5,109</b>	<b>10,271</b>	<b>15,194</b>	<b>16,018</b>		
Long Term	1,099	734	4,768	9,904	14,753	15,649		
Short Term	-728	288	341	367	441	369		
<b>BUDGET (TRY million) <sup>(5)</sup></b>								
<b>Expenditures</b>	<b>115,682</b>	<b>140,455</b>	<b>141,021</b>	<b>146,098</b>	<b>144,336</b>	<b>157,701</b>		
Interest Expenditures	51,871	58,609	56,488	45,680	40,801	44,068		
Non-interest Expenditures	63,812	81,846	84,533	100,418	103,536	113,633		
<b>Revenues</b>	<b>75,592</b>	<b>100,251</b>	<b>110,721</b>	<b>137,981</b>	<b>140,549</b>	<b>157,764</b>		
Tax Revenues	59,631	84,316	90,077	106,929	112,529	125,952		
Non-tax Revenues	15,961	15,935	20,644	31,052	28,020	31,812		
<b>Budget Balance</b>	<b>-40,090</b>	<b>-40,204</b>	<b>-30,300</b>	<b>-8,117</b>	<b>-3,787</b>	<b>64</b>		
<b>Primary Balance</b>	<b>11,781</b>	<b>18,405</b>	<b>26,188</b>	<b>37,563</b>	<b>37,014</b>	<b>44,131</b>		
<b>CENTRAL GOVERNMENT DEBT STOCK (\$ billion)</b>								
<b>Domestic Debt Stock</b>	91.7	139.3	167.3	182.4	173.1	173.2	178.9	
<b>External Debt Stock</b>	56.8	63.4	68.5	64.7	65.9	65.5	66.4	
<b>Total Debt Stock</b>	148.5	202.7	235.8	247.1	239.0	238.7	245.3	

Source: Turkstat, CBRT, Treasury

(1) Cumulative figures for foreign trade, current account and budget.

(2) Figures for Q1 2006.

(3) Figures for Q2 2006.

(4) Figures for Q3 2006.

(5) 2006 data are according to the Central Government Budget.

## BANKING SECTOR

	2004	2005	Oct. 06	Nov. 06	Dec. 06 (I)	Jan. 19, 07 (II)	Year to Date Change (%) (II/I)
<b>DEPOSITS (TRY million) (excluding interbank deposits)</b>							
<b>Total Deposits</b>	<b>191,360</b>	<b>243,160</b>	<b>286,542</b>	<b>292,483</b>	<b>296,815</b>	<b>300,441</b>	<b>1.2</b>
TRY	106,075	153,995	177,263	179,277	181,532	181,849	0.2
FX	85,285	89,165	109,279	113,206	115,283	118,592	2.9
FX (\$ million)	63,552	66,203	76,524	77,980	82,257	84,704	3.0
<b>FX deposits/Total deposits (%)</b>	<b>44.6</b>	<b>36.7</b>	<b>38.1</b>	<b>38.7</b>	<b>38.8</b>	<b>39.5</b>	<b>-</b>
<b>SECURITIES HELD IN CUSTODY ACCOUNTS (TRY million) (nominal value)</b>							
<b>Total</b>	<b>87,372</b>	<b>90,230</b>	<b>103,724</b>	<b>103,474</b>	<b>105,505</b>	<b>105,609</b>	<b>0.1</b>
Residents	70,912	64,191	68,109	66,761	65,177	64,732	-0.7
Non-Residents	16,460	26,039	35,615	36,714	40,328	40,877	1.4
<b>SECURITIES PORTFOLIO (TRY million)</b>							
<b>Total</b>	<b>123,695</b>	<b>142,853</b>	<b>154,634</b>	<b>157,837</b>	<b>158,871</b>	<b>158,568</b>	<b>-0.2</b>
<b>CREDITS (TRY million) (excluding loans to financial institutions)</b>							
<b>Credit Volume</b>	<b>97,329</b>	<b>147,510</b>	<b>198,927</b>	<b>201,584</b>	<b>207,603</b>	<b>205,717</b>	<b>-0.9</b>
TRY	62,542	105,945	145,224	145,674	153,316	151,819	-1.0
FX	34,787	41,565	53,703	55,910	54,287	53,898	-0.7
<b>Retail Loans</b>	<b>34,930</b>	<b>62,348</b>	<b>87,517</b>	<b>88,205</b>	<b>91,860</b>	<b>91,594</b>	<b>-0.3</b>
Consumer and Installment Com. Loans	21,010	45,010	66,478	67,451	70,192	70,102	-0.1
<b>Consumer Loans</b>	<b>12,731</b>	<b>28,618</b>	<b>43,859</b>	<b>44,480</b>	<b>46,223</b>	<b>46,188</b>	<b>-0.1</b>
Housing	2,631	12,405	21,249	21,537	22,165	22,203	0.2
Automobile	4,194	6,146	6,423	6,343	6,405	6,277	-2.0
Individual and Corporate Credit Cards	13,920	17,338	21,039	20,754	21,668	21,492	-0.8
<b>Retail Loans/Total Credits (%)</b>	<b>35.9</b>	<b>42.3</b>	<b>44.0</b>	<b>43.8</b>	<b>44.2</b>	<b>44.5</b>	<b>-</b>
<b>NPL RATIO (%)</b>							
<b>Total Loans</b>	<b>6.0</b>	<b>4.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	
<b>Retail Loans</b>	<b>2.2</b>	<b>2.5</b>	<b>2.4</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	
Consumer and Installment Com. Loans	0.7	0.7	0.8	0.8	0.8	0.8	
<b>Consumer Loans</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	
Individual and Corporate Credit Cards	4.4	7.1	7.2	7.4	7.3	7.4	
<b>BANKING SECTOR NET FX POSITION (\$ million)</b>							
<b>Total</b>	<b>-71</b>	<b>-97</b>	<b>483</b>	<b>-63</b>	<b>223</b>	<b>1</b>	
On-Balance Sheet	-1,390	-1,880	-6,139	-6,439	-5,405	-7,384	
Off-Balance Sheet	1,318	1,784	6,623	6,376	5,628	7,385	

Source: BRSA

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