



MONTHLY ECONOMIC REVIEW

Economic Research Department
June 2007

- ▶ *In May, global liquidity conditions continued to be in favor of emerging markets in general. However, sharp increases in the world stock markets in recent years raised concerns over the sustainability of this trend.*
- ▶ *Monetary policies of developed countries, global funds' portfolio preferences and the course of commodity prices were the main factors which continued to influence the emerging markets, including Turkey.*
- ▶ *Political developments, rather than the economic data released, weighed on the domestic markets in May. However, favorable outlook in the global markets limited the volatility stemming from the political developments.*
- ▶ *The risk of a decline in foreign capital inflows still exists due to the possible political uncertainty and high volatility in the coming period.*
- ▶ *However, the fact that the duration of the political uncertainty would last for a shorter period of time thanks to the early elections would have positive effects on the economy. Reestablishment of political stability after the elections would especially influence the consumption and investment decisions and budget performance.*
- ▶ *According to the election polls conducted by both domestic and foreign institutions, a three or four party parliament is more likely after the elections on July 22nd. The possibility of a single-party government is high in a three party parliament while the possibility of a coalition government increases in a four party parliament.*

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TURKISH ECONOMY

Global liquidity conditions continued to be in favor of emerging markets.

In May, the positive sentiment in the global markets continued in general. This favorable outlook stemmed from the increasing expectations that the FED would keep interest rates on hold, which in turn reinforced the expectations that the current capital inflows into emerging markets would continue. The Bank of Japan's and the European Central Bank's gradual approach to raising interest rates also supported this trend. In addition to the monetary policies of the developed countries, global funds' portfolio preferences and the course of commodity prices continued to influence the emerging markets, including Turkey.

The sharp increases in the world stock markets in recent years raised concerns over the sustainability of this trend. Former FED governor Alan Greenspan also cited that the possibility of a rapid decline in China's stock market might have negative effects on the global risk perception. Indeed, after the stamp tax hike in late May, Shanghai stock exchange dived 6.5% which in turn had adverse effects in the global markets, mainly emerging markets.

Political developments weighed on the domestic markets.

Political developments, rather than the economic data released, weighed on the domestic markets in May. However, favorable outlook in the global markets limited the volatility stemming from the political developments. Besides, markets welcomed the calming of the political uncertainty with the decision to hold early elections on July 22nd. The ISE-100 index recovered its losses at the beginning of May, \$/TRY declined to around 1.32 and interest rates decreased.

However, the risk of a decline in foreign capital inflows still exists due to the possible political uncertainty and high volatility in the coming period.

Uncertainties over the sustainability of the fiscal discipline increased.

The increase in budget expenditures in the first four months of 2007 was higher than that of budget revenues despite the early payment of \$4.3 billion for the Turk Telekom sale. Given the limited increase in tax revenues in this period, the VAT cut in some food products and tourism increased the uncertainties regarding the continuation of the fiscal discipline. Besides, the increase in non-interest expenditures before the elections raised concerns over the support of the fiscal discipline to the monetary policy.

In the letter of intent associated with the sixth review with the IMF, it was announced that the 0.6% of GNP in spending on lower priority current and capital spending and transfers was blocked, state enterprise investment spending was cut by 0.1% of GNP and several measures were taken in health expenditures. To what extent these measures would be realized in the coming months would give important signals about the fiscal discipline.

Early elections would have positive impacts on economy.

The fact that the duration of the political uncertainty would last for a shorter period of time thanks to the early elections would have positive effects on the economy. Reestablishment of political stability after the elections would especially influence the consumption and investment decisions and budget performance.

According to the election polls conducted by both domestic and foreign institutions, a three or four party parliament is more likely after the elections on July 22nd. The possibility of a single-party government is high in a three party parliament while the possibility of a coalition government increases in a four party parliament.

In March, industrial production increased by 2.6%.

In March, industrial production increased by 2.6%, below the expectations. Considering that it was 9.1% in the same period of the previous year, the weak performance of the industrial production was also attributable to the strong base year effect as we stated in our earlier reports. On the other hand, despite the slowdown in domestic demand, owing to the buoyant external demand, manufacture of machinery and equipment, electrical machinery and apparatus, and basic metal industries supported the industrial production.

In the first quarter of 2007, parallel to the positive impacts of strong external demand on exports and industrial production, the average increase in the industrial production was realized as 7.8%. Considering that the share of industrial production in GNP is about 30% in the first quarters, it is expected that 7.8% increase would make a significant contribution to growth in the first quarter.

Despite the slowdown in consumption and investment expenditures in the first half of 2007, we expect that the economic activity would gain momentum in the second half of 2007 as a result of the decreasing political uncertainty due to the completion of general elections. Therefore, we keep our 5% growth estimate for 2007.

Unemployment rate continued to decline.

According to the Household Labor Survey for February 2007, which covers the data from January 2007 to March 2007, the unemployment rate decreased to 11.9% in February from 11.4% in the same period of the last year. In this period, the number of employed persons increased by 794 thousand persons compared to the same period of the previous year and reached 21 million 398 thousand persons. During this period, the number of unemployed persons decreased to 2 million 760 thousand persons.

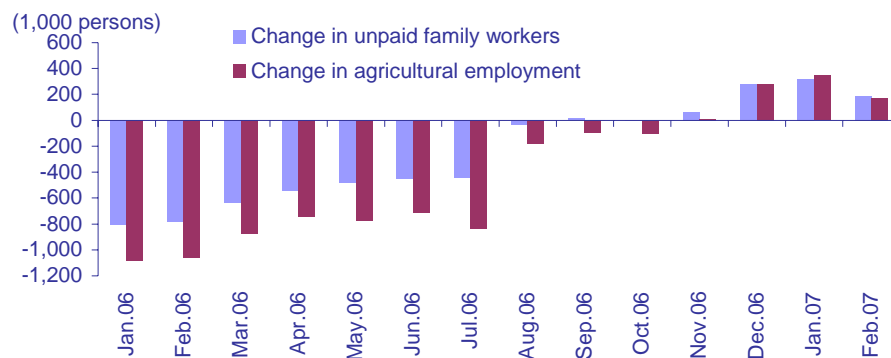
Breakdown of Employment by Sectors					
(1,000 persons)	February 2006	Share(%)	February 2007	Share (%)	Difference
Agriculture	5,167	25.1	5,337	24.9	170
Non-agriculture	15,438	74.9	16,062	75.1	624
Industry	4,209	20.4	4,346	20.3	137
Construction	971	4.7	1,006	4.7	35
Services	10,258	49.8	10,710	50.1	452
TOTAL	20,604	100	21,398	100	794

Source: Turkstat

Note: Total figures may not be exact due to the rounding of the numbers.

Agricultural employment is rising due to the increase in unpaid family workers.

In February, non-agricultural unemployment ratio declined from 14.8% to 14.2% compared to the same period of the previous year. In this period, the share of services sector in total employment rose to 50.1%, increasing by 452 thousand persons. On the other hand, employment in the agricultural sector, which displayed an increasing trend parallel to the rise in unpaid family workers for the last four months, increased by 170 thousand persons in February. According to the classification of employment by status, the share of unpaid family workers in total employment increased to 12.9% from 12.5% compared to the same period of the previous year.



Source: Turkstat

Note: The graph shows the changes compared to the previous year.

Foreign trade deficit narrowed in April.

In April, exports increased by 28.3% to \$8.3 billion while imports rose by 10.6% to \$12.8 billion compared to the same period of the previous year. The foreign trade

deficit continued to contract due to higher monthly increases in exports than that of imports since February. On the other hand, in the first four months, the foreign trade deficit increased by 1.2% compared to the same period of the previous year due to the strong imports in January.

(\$ million)	April		Change	January-April		Change
	2006	2007	(%)	2006	2007	(%)
Exports	6,444	8,267	28.3	25,041	31,367	25.3
Imports	11,580	12,812	10.6	41,123	47,643	15.9
Foreign Trade Balance	-5,136	-4,545	-11.5	-16,082	-16,276	1.2
Coverage Ratio (%)	55.6	64.5		60.9	65.8	

Source: Turkstat

Strong pace of exports continued.

The outperformance of basic metal industry, machinery and equipment and motor vehicles sectors supported exports in April. Besides, the textile and clothing exports increased by 16.5% and 17.8% respectively. The exports of these sectors had declined in the same month of the previous year.

Imports of consumption goods decreased.

The decrease in imports of consumption goods also continued in April due to the cooling of the domestic demand. This was mainly stemmed from the 30% fall in automobile imports. The imports of mineral fuels and oils, which followed the course of crude oil prices, decreased by 4.3% in April while increased by 7.5% during the January- April period. In the first four months of 2007 compared to the same period of the previous year, imports of intermediate goods accelerated while the increase in imports of capital goods was limited.

The realizations in the first four months of 2007 reinforced the expectations that the improvement in the foreign trade deficit would continue. In the coming months, we expect that the improvement in the foreign trade deficit would be maintained depending on the course of the domestic demand.

According to the data released by the Turkish Exporters' Assembly, exports reached \$9.2 billion in May increasing by 26.3% compared to the same month of the previous year. On the other hand, despite the strong performance of the exports, the rise in oil prices continued to put pressure on the foreign trade deficit.

Current account deficit reached \$9.1 billion in the first quarter.

In March current account deficit was realized as \$2.9 billion, parallel to the market expectations. During the first quarter, the deficit increased by only 3.9% compared to the same period of the previous year and reached \$9.1 billion. Taking into consideration that the increase was 42.7% in the same period of 2006, the slowdown is noteworthy. Analyzing on a 12-month cumulative basis, the declining tendency in the current account deficit was also observed in March. This development can be attributed to the deceleration in the foreign trade deficit in recent months. Indeed, exports increased faster than imports during this period.

(\$ million)	March		Change	Jan.-Mar.		Change
	2006	2007	(%)	2006	2007	(%)
Current Account Balance	-3,175	-2,944	-7.3	-8,710	-9,054	3.9
Foreign Trade Balance	-3,314	-2,978	-10.1	-8,695	-8,659	-0.4
Services Balance	491	535	9.0	1,167	1,185	1.5
Tourism Revenues (net)	545	594	9.0	1,434	1,490	3.9
Income Balance	-459	-610	32.9	-1,498	-1,885	25.8
Current Transfers	107	109	1.9	316	305	-3.5
Capital and Financial Accounts	1,896	2,451	29.3	9,495	7,475	-21.3
Foreign Direct Investments (net)	289	1,126	289.6	1,318	7,946	502.9
Portfolio Investments (net)	298	-1,900	-	3,578	4,231	18.3
Other Investments (net)	2,458	5,492	123.4	11,707	1,712	-85.4
Reserve Assets (net)	-1,149	-2,267	97.3	-7,108	-6,414	-9.8
Net Errors and Omissions	1,279	493	-61.5	-785	1,579	-

Source: CBRT

Signs of revival in tourism revenues...

Tourism revenues also contributed to the slowdown in widening of the current account deficit. Net tourism revenues, which showed a weak performance in 2006, increased by 9% in March compared to the same month of the previous year. The revival in tourism revenues is expected to become more evident in the coming

months thanks to start of summer season. However, the significant deterioration in the income balance continued. The deterioration in income balance due to the interest payments of long and short-term loans and profit repatriations limited the improvement in the current account deficit.

(\$ million)	March		Jan.-Mar.		Change (%)
	2006	2007	2006	2007	
Income Balance	-459	-610	-1,498	-1,885	25.8
<i>Compensation of Employees</i>	<i>-7</i>	<i>-10</i>	<i>-22</i>	<i>-30</i>	<i>36.4</i>
Investment Income	-452	-600	-1,476	-1,855	25.7
<i>Direct Investment</i>	<i>-89</i>	<i>-40</i>	<i>-138</i>	<i>-301</i>	<i>118.1</i>
<i>Portfolio Investment</i>	<i>-75</i>	<i>-113</i>	<i>-426</i>	<i>-566</i>	<i>32.9</i>
<i>Other Investment</i>	<i>-288</i>	<i>-447</i>	<i>-912</i>	<i>-988</i>	<i>8.3</i>
<i>Interest Income</i>	<i>93</i>	<i>144</i>	<i>296</i>	<i>538</i>	<i>81.8</i>
<i>Interest Expenditure</i>	<i>-381</i>	<i>-591</i>	<i>-1,208</i>	<i>-1,526</i>	<i>26.3</i>
<i>Long Term</i>	<i>-340</i>	<i>-535</i>	<i>-1,066</i>	<i>-1,361</i>	<i>27.7</i>
<i>Short Term</i>	<i>-41</i>	<i>-56</i>	<i>-142</i>	<i>-165</i>	<i>16.2</i>

Source: CBRT

FDI inflows covered 88% of the current account deficit in the first quarter.

In the first quarter of the year, direct investment recorded a net inflow of \$7.9 billion and \$1 billion of this amount was net real estate purchases of non-residents. Thus, the ratio of FDI to current account deficit reached 88% in the first quarter of 2007. The foreign investments reached \$12 billion in the first quarter of the year including Oger's early payment of its \$4.3 billion balance for the Turk Telekom sale.

In the first quarter portfolio investments rose by 18% compared to the previous year.

In March, the portfolio investments posted a net outflow due to the fluctuations in markets at the end of February. On the other hand, in the first quarter of the year the rise in non-residents' net purchases of GDDIs was realized as 80%. The \$3.4 billion of the total \$4.2 billion of portfolio investments in the first quarter was the Treasury's eurobond issues in the international markets.

The credits from abroad increased in March.

The other investment account, which is composed of trade credits, loans and deposit accounts, recorded a net inflow of \$1.7 billion in the first three months. In addition, the funds raised by the banks and the other sectors from abroad, which displayed a significant slowdown in recent months, resurged owing to the rise in especially long-term loans obtained by the other sectors. The banks and the other sectors, which obtained \$11.2 billion from abroad in the first quarter of 2006, raised \$7.2 billion in the same period of 2007.

We expect a slowdown in the widening of the current account deficit.

The cooling domestic demand, the vigorous exports and the rise in tourism revenues supported the improvement in the current account deficit. The contribution of the tourism revenues is expected to increase in line with the beginning of summer season and the rise in €\$ parity. However, current account deficit should be monitored due to its high level and possible unfavorable global liquidity conditions for the emerging markets.

The budget gave a deficit of TRY2 billion in April.

The budget posted a deficit of TRY2 billion in April bringing the cumulative deficit to TRY5.4 billion in the first four months. The primary surplus (Ministry of Finance definition) reached TRY13.7 billion, 38% of the year-end target. Excluding the Oger's early payment of its \$4.3 billion balance for the Turk Telekom sale, the budget deficit exceeds TRY10 billion, and the primary surplus reaches only 22% of the year-end target.

Increasing trend in expenditures ahead of the elections...

In the first four months, the budget expenditures increased by 20.7% due to the both interest and non-interest expenditures. The interest expenditures, which were quite high in January due to the Treasury's debt redemption calendar, decreased in following months. The interest expenditures increased by 23.7% in the January-April period. According to the Treasury's repayment projections, interest expenditures would put less pressure on the budget in the following months. On the other hand, ahead of the general elections on July 22 the increase in non-interest expenditures such as the goods and services purchases, health and personnel expenditures continued. The increase in these items might accelerate in

the next months. However thanks to the early elections, these increases in spending would last for a shorter period of time.

The budget revenues increased by 19.7% in the January-April period and remained below the increase in expenditures. The lower rate of increase in revenues stemmed from the limited increase in tax revenues. The slowdown in domestic demand, the revoking of the tax refund implementation and VAT refund hampered the tax revenues. The increase in non-tax revenues was mainly due to the early repayment of Oger.

Limited increase in tax revenues in the first four months...

(TRY million)	April 2007	Annual Change (%)	Jan.-Apr. 2007	Annual Change (%)	Budget Target	Realization/Target (%)
Expenditures	16,363	8.1	65,805	20.7	204,989	32.1
Interest Exp.	3,080	-25.1	19,047	23.7	52,946	36.0
Non-interest Exp.	13,282	20.4	46,757	19.5	152,043	30.8
Revenues	14,315	17.7	60,424	19.7	188,159	32.1
Tax Revenues	9,859	2.8	43,800	7.2	158,153	27.7
Other Revenues	4,456	74.0	16,624	72.6	30,006	55.4
Budget Balance	-2,048	-31.2	-5,380	33.6	-16,830	32.0
Primary Balance	1,032	-8.9	13,667	20.2	36,116	37.8

Source: Ministry of Finance

Budget targets are likely to be reached.

We expect that the 2007 central government budget targets would be reached, thanks to the savings measures and probable increase in tax revenues along with the enlivening economy in the second half of the year. On the other hand, the VAT cut in some sectors raised concerns over the sustainability of the fiscal discipline.

CBRT expects that the inflation would decrease starting from the second quarter.

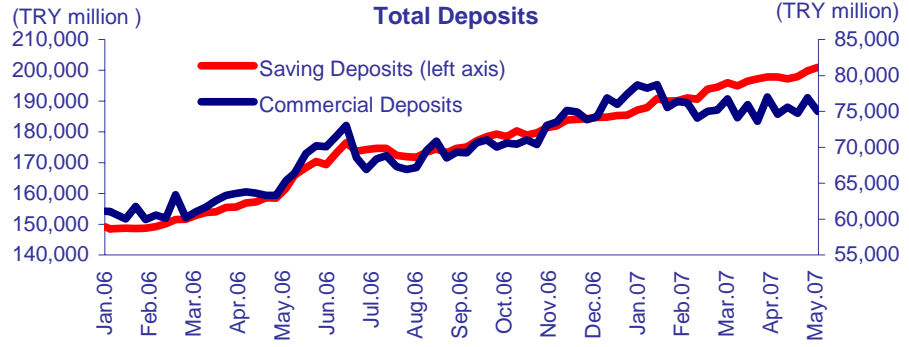
Monetary Policy Committee (MPC) of CBRT kept the interest rates unchanged in its meeting on May, 14. In the minutes of the meeting, MPC remarked that the slowdown in domestic demand continued to support disinflation. On the other hand, the recently elevated prices of crude oil and commodities added to the inflationary pressures via imported input costs and thus curbed the disinflation process. According to the minutes, despite the slight increase in year-end inflation expectations, the fact that the medium-term expectations have not deteriorated is positive for the inflation outlook. MPC stated that the monetary tightening since June 2006 affected the domestic demand as expected and disinflation was expected to become more significant in the upcoming period.

According to the CBRT, possibility of stronger-than-expected inertia in inflation, uncertainties over the lagged effects of monetary policy, the possible increase in the non-interest budget expenditures, continuing uncertainties over the global economy and fluctuations in commodity prices stand as the major risks to inflation outlook.

BANKING SECTOR

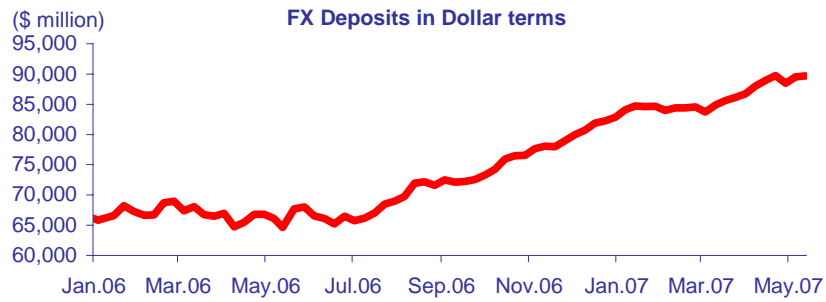
Deposits continued to increase.

As of May 18, 2007, the banking sector deposit volume reached TRY314.1 billion with an increase of 2.8% compared to the same week of the previous month and 5.8% compared to the end of 2006. While the commercial deposits declined in recent months, saving deposits continued to increase.



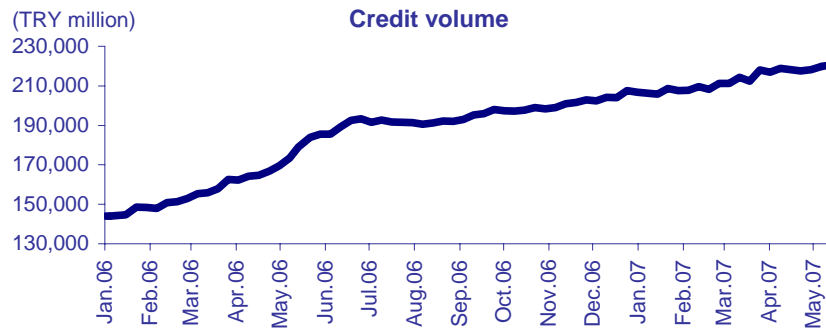
FX deposits in Dollar terms increased by 35% since the second half of 2006.

Both TRY deposits and FX deposits in Dollar terms continued to increase. Since June 30, 2006, the increase in TRY deposits was realized as 10.8% while the FX deposits in Dollar terms surged by 35% and reached \$89.7 billion. Saving deposits supported the increase in total deposits.



Increase in credit volume was below the previous year's level.

As of May 18, 2007, the banking sector credit volume increased by 1.1% compared to the same week of the previous month and by 6.2% compared to the end of 2006. The increase in credit volume continued to remain lower than that of the previous year. The year to date increase stemmed mainly from the consumer loans while installment commercial loans and spot loans also supported this increase. On the other hand, the other loans item (44% of total loans), which is comprised of large scale commercial loans, started to increase after a rapid decline recorded in the last week of April.

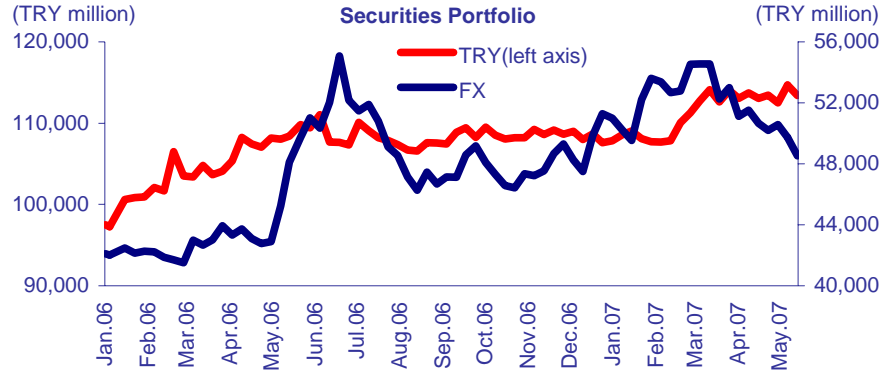


Retail loans continued to increase.

As of May 18, 2007, consumer loans increased by 10.8% compared to the end of 2006 while the volume of consumer and commercial credit cards rose by 5.6%. In this period, personal finance loans and housing loans increased by 16.3% and 10.1%, respectively. On the other hand, vehicle loans decreased by 8.1% during the same period.

Banks' cautious approach towards securities portfolio...

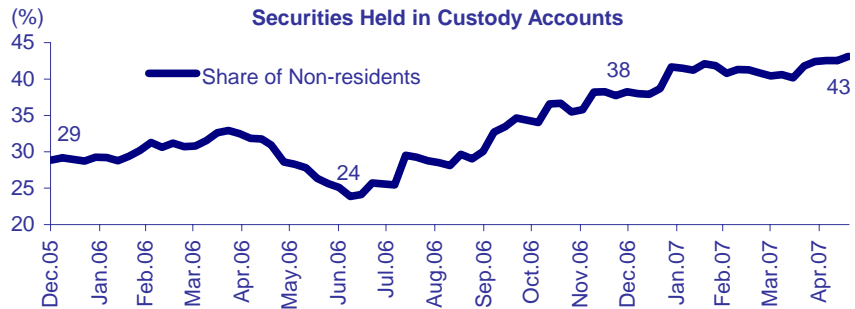
As of May 18, the securities portfolio of the banking sector contracted by 1.1% to TRY161.9 billion compared to the same week of the previous month. The banking sector followed a cautious policy on securities portfolio.



Non-residents' interest towards GDDIs continued.

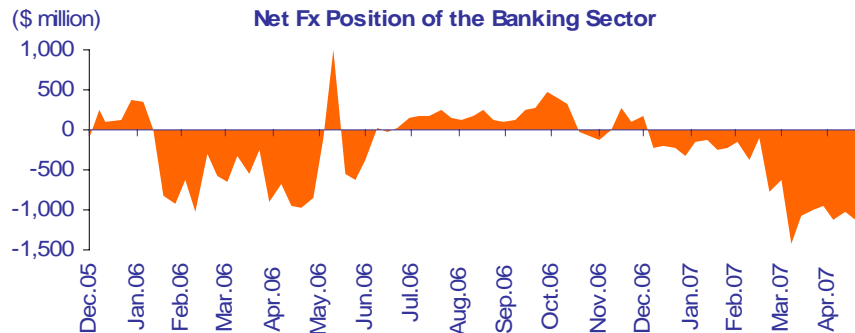
As of May 18, 2007, the securities held in custody accounts of banks amounted to TRY110.8 billion decreasing by 1.3%. In this period, the residents' securities held in custody accounts decreased by 3.5% while non-residents' portfolios increased by 1.8%. The contraction in the residents' portfolio (especially real persons' portfolio) since the last quarter of 2006 was noteworthy. On the other hand, legal entities' portfolio increased in this period.

The non-residents' security portfolio, the majority of which was consisted of banks and other financial institutions, increased by 18.4% since the end of 2006. In this respect, non-residents' share in total securities held in custody accounts, which was 29% at the end of 2005 and decreased to as low as 24% after the May-June turmoil in 2006, increased rapidly to 43% as of May 18, 2007.



Banking sector's short position reached \$1 billion.

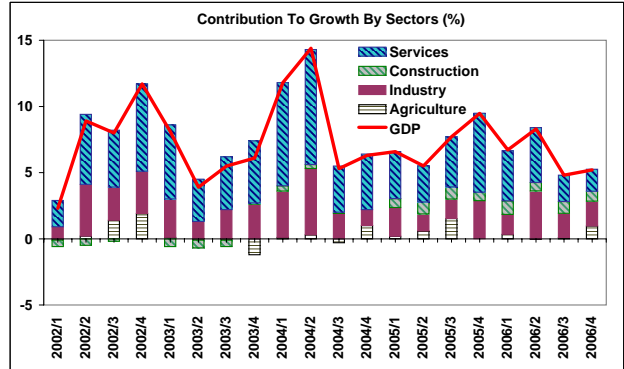
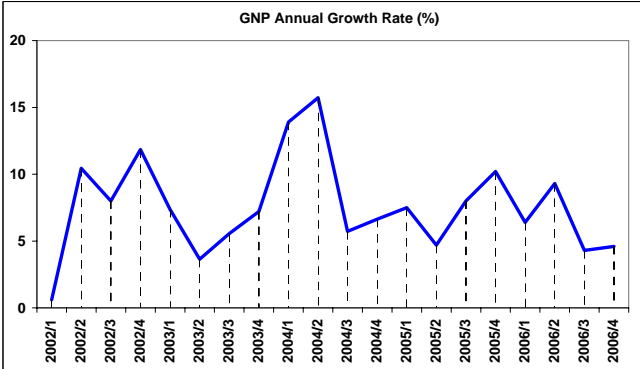
The banking sector's net FX position was realized as -\$1 billion as of May 18, 2007. Short position of the private banks was \$1.1 billion, while that of foreign banks was \$112 million. The state banks carried \$188 million of long position.



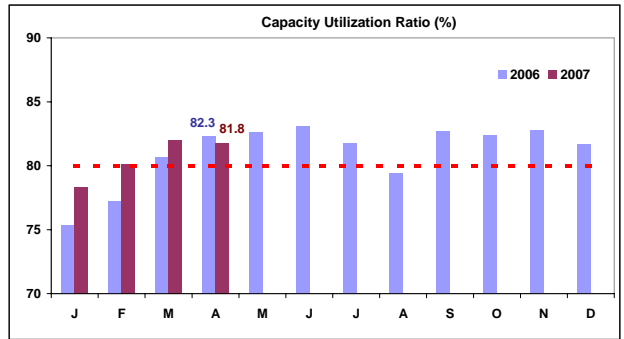
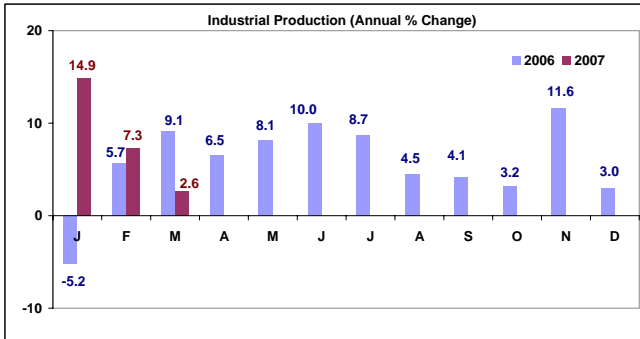
ECONOMIC INDICATORS

THE TURKISH ECONOMY AT A GLANCE

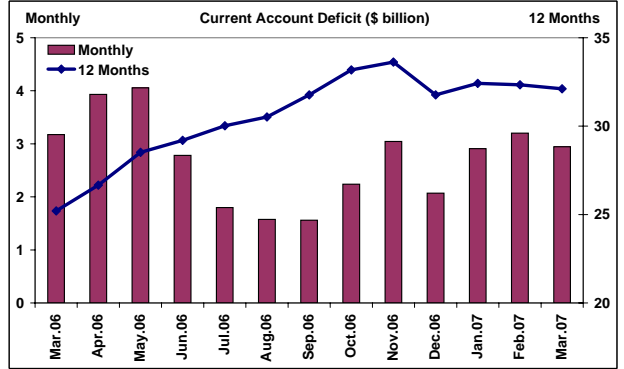
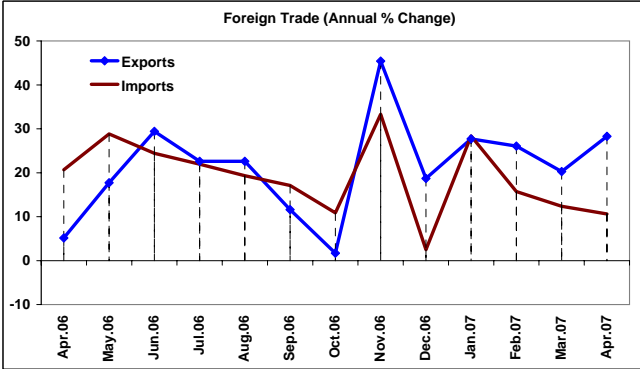
GROWTH



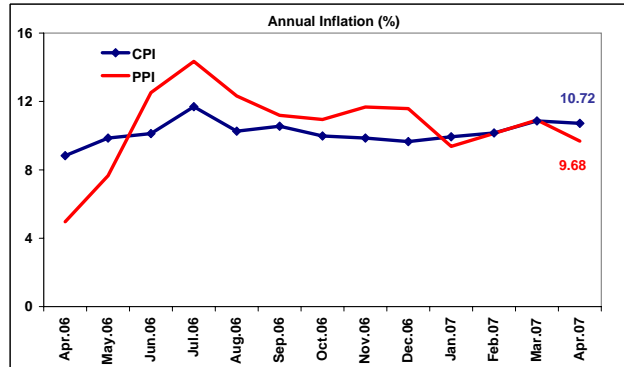
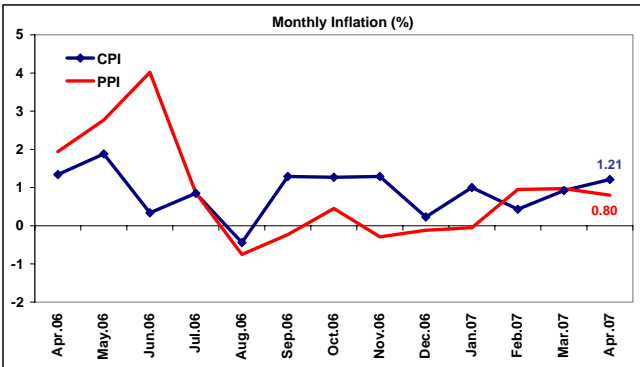
INDUSTRIAL PRODUCTION



FOREIGN TRADE

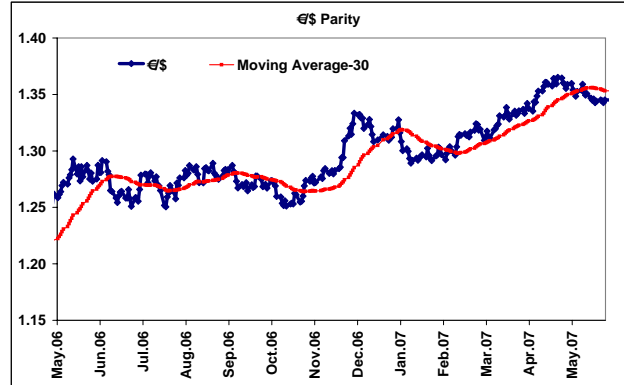
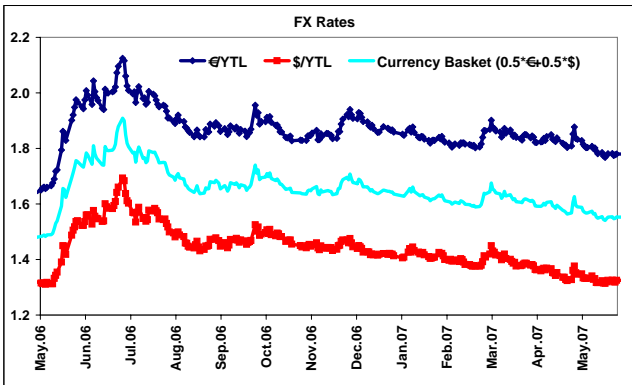


INFLATION

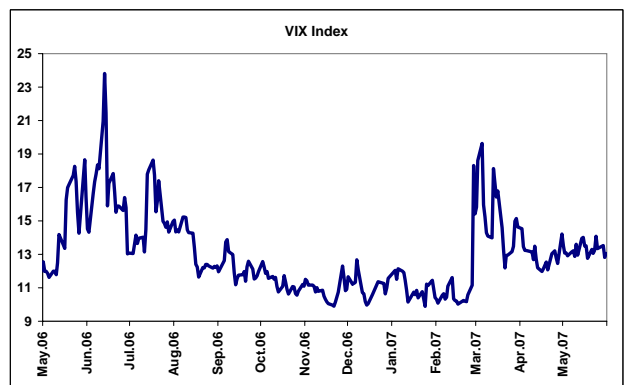
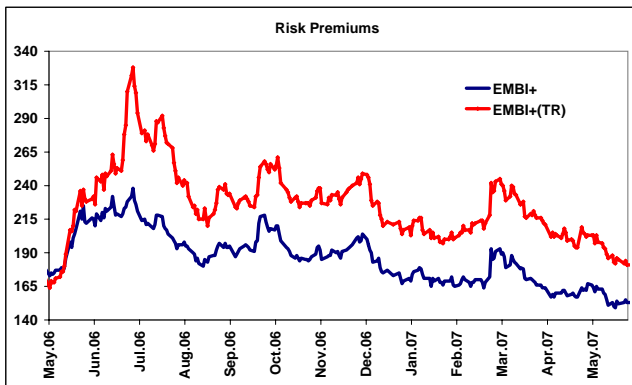
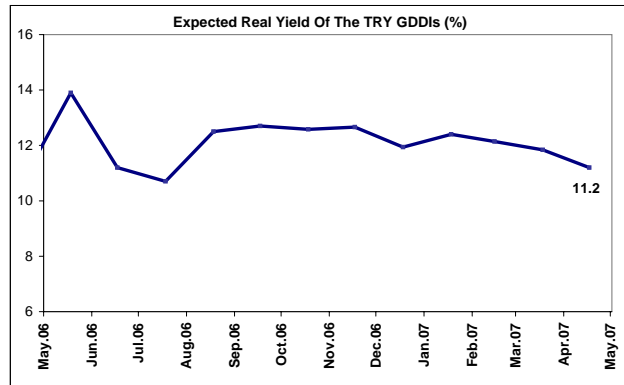
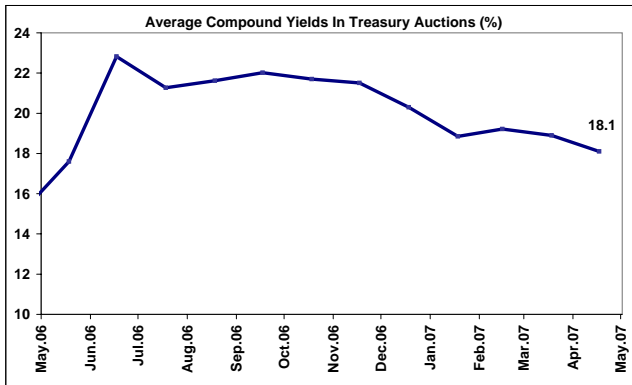


Source: CBRT, Turkstat, Isbank Economic Research Department

FX MARKETS

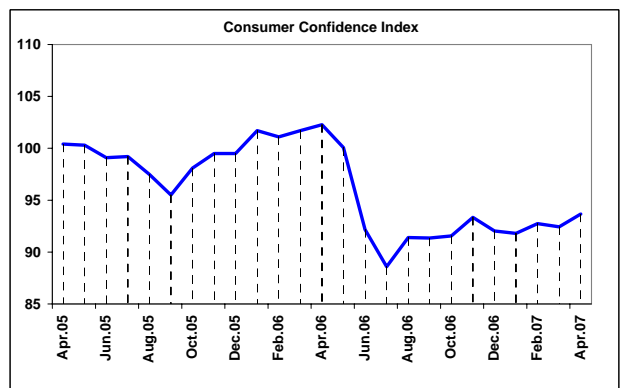
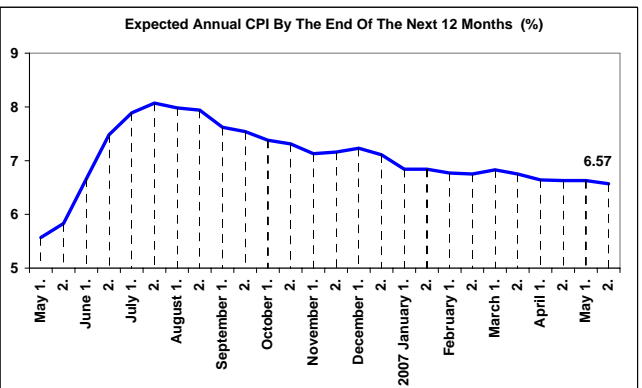
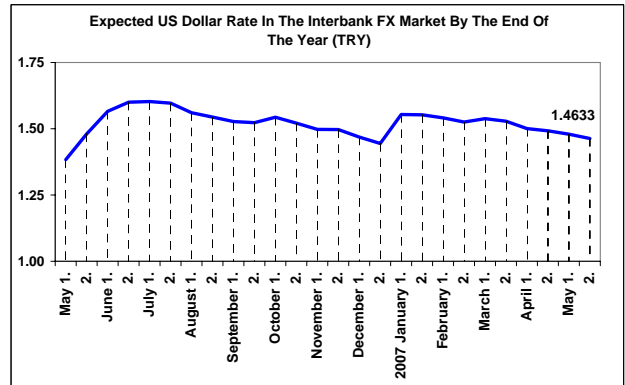
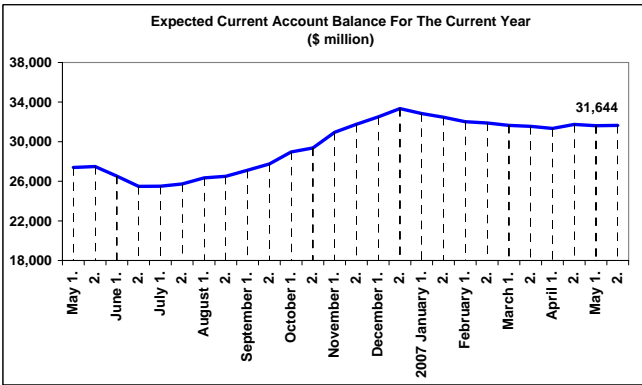
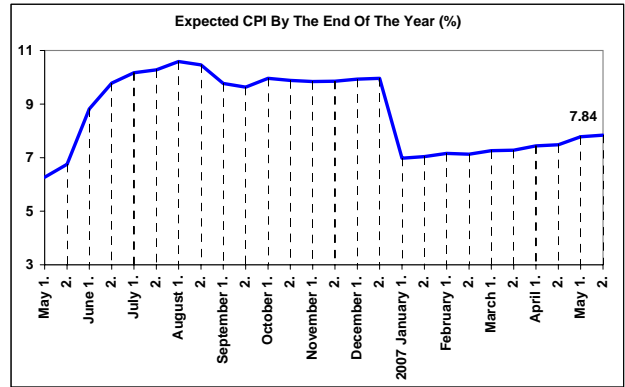
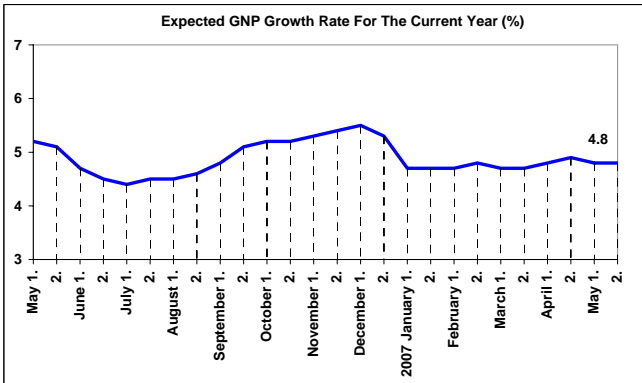


BOND-BILL MARKETS



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

SURVEY OF EXPECTATIONS AND OTHER LEADING INDICATORS



Source: CBRT

	2002	2003	2004	2005	2006	2007 ⁽¹⁾		
GROWTH						Mar.	Apr.	May
GNP (\$ million)	180,888	239,235	299,475	360,876	399,673			
GNP Growth Rate (%)	7.9	5.9	9.9	7.6	6.0			
INFLATION (%)								
PPI (annual)	30.8	13.9	15.34	2.66	11.58	10.92	9.68	
CPI (annual)	29.7	18.4	9.35	7.72	9.65	10.86	10.72	
FX RATES								
CPI Based Real Effective FX Rate Index	125.4	140.6	143.2	171.4	160.1	165.7	170.2	
\$/TRY	1.6345	1.3958	1.3421	1.3430	1.4131	1.3861	1.3274	1.3253
Euro/TRY	1.7035	1.7451	1.8268	1.5904	1.8586	1.8490	1.8086	1.7801
Euro/\$	1.0496	1.2586	1.3558	1.1840	1.3196	1.3355	1.3645	1.3451
BALANCE OF PAYMENTS (\$ million)								
Exports	40,124	51,206	67,047	76,949	91,889	24,386		
Imports	47,407	65,216	90,925	110,479	132,075	33,045		
Foreign Trade Balance	-7,283	-14,010	-23,878	-33,530	-40,186	-8,659		
Current Account Balance	-1,521	-8,036	-15,601	-22,603	-31,764	-9,054		
CREDIT UTILIZATION FROM ABROAD (\$ million)								
Banks	-1,028	1,975	5,708	9,248	5,813	782		
Long Term	-297	-40	2,361	6,544	9,765	2,039		
Short Term	-731	2,015	3,347	2,704	-3,952	-1,257		
Other Sectors	371	1,022	5,109	10,309	19,106	6,426		
Long Term	1,099	734	4,768	9,942	18,600	6,625		
Short Term	-728	288	341	367	506	-199		
BUDGET (TRY million) ⁽²⁾								
Expenditures	115,682	140,455	141,021	146,098	175,304	49,442	65,805	
Interest Expenditures	51,871	58,609	56,488	45,680	45,945	15,967	19,047	
Non-interest Expenditures	63,812	81,846	84,533	100,418	129,359	33,475	46,757	
Revenues	75,592	100,251	110,721	137,981	171,309	46,109	60,424	
Tax Revenues	59,631	84,316	90,077	106,929	137,474	33,947	43,800	
Other Revenues	15,961	15,935	20,644	31,052	33,835	12,162	16,624	
Budget Balance	-40,090	-40,204	-30,300	-8,117	-3,995	-3,332	-5,380	
Primary Balance	11,781	18,405	26,188	37,563	41,951	12,634	13,667	
CENTRAL GOVERNMENT DEBT STOCK (\$ billion)								
Domestic Debt Stock	91.7	139.3	167.3	182.4	178.9	191.1	197.6	
External Debt Stock	56.8	63.4	68.5	64.7	66.6	68.1	67.6	
Total Debt Stock	148.5	202.7	235.8	247.1	245.5	259.2	265.2	

Source: Turkstat, CBRT, Treasury, Reuters

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

(2) 2006 and 2007 data are according to the Central Government Budget.

BANKING SECTOR							Year to Date Change (%) (II/I)
	2004	2005	2006 (I)	Mar.07	Apr.07	May 18, 2007 (II)	
DEPOSITS (TRY million) (excluding interbank deposits)							
Total Deposits	191,360	243,160	296,815	308,570	309,432	314,097	5.8
TRY	106,075	153,995	181,532	191,301	191,301	196,580	8.3
FX	85,285	89,165	115,283	189,865	118,131	117,517	1.9
FX (\$ million)	63,552	66,203	82,257	86,159	89,743	89,701	9.0
FX deposits/Total deposits (%)	44.6	36.7	38.8	61.5	38.2	37.4	-
SECURITIES HELD IN CUSTODY ACCOUNTS (TRY million) (nominal value)							
Total	87,372	90,230	105,505	110,198	114,359	110,763	5.0
Residents	70,912	64,191	65,177	65,658	65,878	63,013	-3.3
Non-Residents	16,460	26,039	40,328	44,540	48,481	47,750	18.4
SECURITIES PORTFOLIO (TRY million) (nominal value)							
Total	123,695	142,853	158,871	167,050	163,645	161,945	1.9
CREDITS (TRY million) (excluding loans to financial institutions)							
Credit Volume	97,329	147,510	207,603	218,025	217,537	220,574	6.2
TRY	62,542	105,945	153,316	162,593	162,593	164,914	7.6
FX	34,787	41,565	54,287	160,995	54,944	55,660	2.5
Retail Loans	34,930	62,348	91,584	96,227	99,314	100,945	10.2
Consumer and Installment Com. Loans	21,010	45,010	69,942	74,284	76,770	78,084	11.6
Consumer Loans	12,731	28,618	45,931	48,393	49,970	50,888	10.8
Housing	2,631	12,405	22,165	23,320	23,903	24,403	10.1
Automobile	4,194	6,146	6,405	5,980	5,922	5,884	-8.1
Consumer and Commercial Credit Cards	13,920	17,338	21,642	21,943	22,544	22,861	5.6
Retail Loans/Total Credits (%)	35,9	42,3	44,1	44,1	45,7	45,8	-
NPL RATIO (%)							
Total Loans	6.0	4.8	3.8	3.8	3.7	3.7	
Retail Loans	2.2	2.5	2.4	2.6	2.6	2.5	
Consumer and Installment Com. Loans	0.7	0.7	0.8	1.1	1.1	1.1	
Consumer Loans	0.7	0.7	0.8	1.0	1.1	1.1	
Consumer and Commercial Credit Cards	4.4	7.1	7.3	7.4	7.3	7.2	
BANKING SECTOR NET FX POSITION (\$ million)							
Total	-71	-97	184	-634	-885	-1,005	
On-Balance Sheet	-1,390	-1,880	-5,467	-6,778	-7,329	-7,251	
Off-Balance Sheet	1,318	1,784	5,651	6,144	6,444	6,245	

Source: BRSA

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