



MONTHLY ECONOMIC REVIEW

Economic Research Division
February 2009

- ▶ *Recent figures pointed out that the global economy is likely to fall into a deeper and more prolonged recession than previously anticipated. In January, the IMF revised downward its forecasts for global growth. The IMF projected global growth to fall to 0.5% in 2009, the lowest rate since World War II.*
- ▶ *The impacts of global crisis on the developing countries became more apparent. In fact, concerns over the capital flows to the developing countries have escalated in recent period.*
- ▶ *Global crisis started to be influential on international trade as well as on the financial markets. In fact, both the World Bank and the IMF projected that global trade volume would contract in 2009. In the recent period, the impacts of contracting global demand on foreign trade have become evident and most of the countries' exports have posted double digit declines.*
- ▶ *Turkish economy has also been affected negatively from the developments in global economy, like many other developing countries. The reflections of global slowdown on foreign demand have become more evident and exports have declined in recent months. In addition to the slowdown in foreign demand, the stagnation in domestic demand has led to significant decreases in industrial production. On the other hand, current account deficit has contracted due to the decline in energy prices. However, taking into account the savings gap and external financing requirement of Turkey, the developments regarding global capital flows continue to be important. In this respect, the relations with the IMF and the details of the expected stand-by arrangement have gained importance.*

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OVERVIEW

Slowdown in global economy is expected to continue in 2009.

Recent figures pointed out that the global economy is likely to fall into a deeper and more prolonged recession than previously anticipated. Tight credit conditions have continued while industrial production and employment have declined considerably, and consumption and investment expenditures have contracted. These developments indicated that global demand slowed down significantly. In January, the IMF revised downward its forecasts for global growth. The IMF projected global growth to fall to 0.5% in 2009, the lowest rate since World War II.

Despite the measures taken by central banks and governments to strengthen financial system, losses at financial institutions continued to increase and credit market conditions have not showed signs of recovery. This situation firstly requires stabilization of the financial system and restoration of normal flows of credit by removing troubled assets from institutions' balance sheets. The implementation of fiscal stimulus packages through tax reductions and government spending to support economy became increasingly widespread and reached large amounts. However, the probable medium-term unfavorable impacts of these packages on budget balance raise concerns.

Capital flows to developing countries are expected to decrease.

The impacts of global crisis on the developing countries became more apparent. In fact, concerns over the capital flows to the developing countries have escalated in recent period. The Institute of International Finance revised its capital flows to developing countries forecasts from \$562 billion to \$165 billion for 2009. This pointed out that borrowing conditions for the countries in need to raise funds from abroad would worsen in the coming period.

The contraction in international trade...

Global crisis started to be influential on international trade as well as on the financial markets. In fact, both the World Bank and the IMF projected that global trade volume would contract in 2009. In the recent period, the impacts of contracting global demand on foreign trade have become evident and most of the countries' exports have posted double digit declines. The declines in developing countries' exports, especially in Asian countries, imply an unfavorable outlook for global growth.

Worldwide economic slowdown and contraction in employment due to the crisis would reinforce protectionist trade policies such as increase in customs tariffs and import restrictions. Indeed, in some countries including India, Russia and Indonesia, the tendency for implementing such policies was noteworthy. This development may lead economic slowdown to deepen in the coming period.

Turkish economy is negatively affected from the developments in global economy.

Turkish economy has also been affected negatively from the developments in global economy, like many other developing countries. The reflections of global slowdown on foreign demand have become more evident and exports have declined in recent months. In addition to the slowdown in foreign demand, the stagnation in domestic demand has led to significant decreases in industrial production. On the other hand, current account deficit has contracted due to the decline in energy prices. However, taking into account the savings gap and external financing requirement of Turkey, the developments regarding global capital flows continue to be important. In this respect, the relations with the IMF and the details of the expected stand-by arrangement have gained importance.

TURKISH ECONOMY

Decline in industrial production is accelerating.

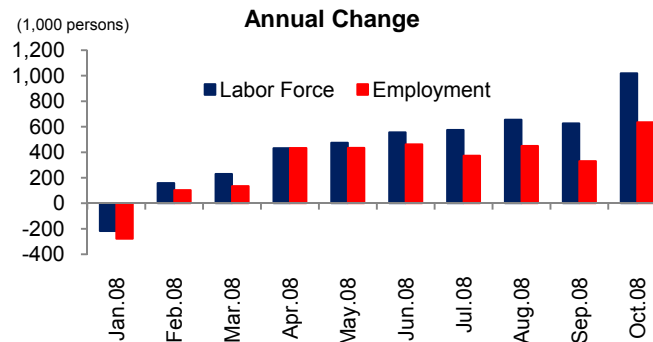
In November, industrial production contracted by 13.9%. Hence, annual average increase was realized as 0.5% in January-November 2008 period. Industrial production has contracted progressively since August 2008. In November, industrial production declined in all sub-groups except office machinery and food while the automotive, basic metals and fabricated metal products were the most rapidly contracting sub-groups.

Industrial production is also expected to contract in the last month of the year due to the continuing decline in exports, decreasing production in leading sectors, ongoing factory holidays and falling rate of capacity utilization.

Taking into account that the industrial production constitutes 30% of GDP and the probable contraction in services and construction sectors, the economy is expected to have contracted by 2% in the last quarter of the previous year and the annual growth is anticipated to have been realized as 1.7% in 2008. Considering that Turkey's potential economic growth rate is around 4%, even though the expected growth rate is not perceived technically as a recession, it points out a considerable activity loss.

Unemployment rate rose to 10.9%.

According to the Household Labor Force Survey of October, the unemployment rate increased by 1.2 points to 10.9% compared to the same period of the previous year. During this period, non-agricultural unemployment rate also rose by 1.7 points to 14%. Despite the increase in the number of employed persons in recent months compared to the same period of the previous year, the unemployment rate rose due to the increase in the labor force participation.



Source: Turkstat

The sectoral breakdown of the employment revealed that the employment in the agriculture and services sectors increased compared to the same period of the previous year. However, the employment increase in industrial sector lost momentum and the employment in construction sector continued to decrease.

In December, exports and imports decreased.

In December, exports and imports decreased by 21% and 30.1% respectively, while foreign trade deficit contracted by 43.9% to \$3.6 billion compared to the same month of the previous year. In this period, the import coverage ratio increased from 60.3% in December 2007 to 68.2%. On an annual basis, exports and imports were realized as \$132 billion and \$201.8 billion, respectively. Thus, foreign trade volume reached \$333.8 billion, exceeding \$300 billion.

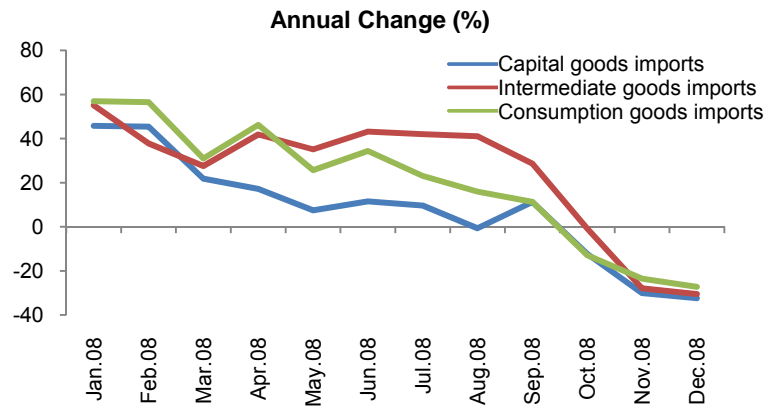
| (\$ million) | December | | | January-December | | |
|------------------------------|----------|--------|-------|------------------|---------|------|
| | 2007 | 2008 | (%) | 2007 | 2008 | (%) |
| Exports | 9,724 | 7,685 | -21.0 | 107,272 | 132,003 | 23.1 |
| Imports | 16,120 | 11,271 | -30.1 | 170,063 | 201,823 | 18.7 |
| Foreign Trade Balance | -6,396 | -3,586 | -43.9 | -62,791 | -69,820 | 11.2 |
| Coverage Ratio (%) | 60.3 | 68.2 | | 63.1 | 65.4 | |

The numbers may not add to totals due to rounding.

Source: Turkstat

Contraction in exports of the leading sectors continues.

December exports figures indicated that exports of locomotive sectors such as motor vehicles and textiles continued to decrease in line with the slowdown in the global demand. In fact, manufacturing exports contracted by 21.9% on an annual basis in December. Moreover, imports of capital, intermediate and consumption goods also registered a significant fall due to the deteriorating domestic demand conditions.



Source: Turkstat

High growth rate in energy imports during 2008...

Despite the increase in total foreign trade volume in 2008, the slowdown in imports was noteworthy. Excluding the dramatic rise in global energy prices, particularly in oil prices, the deceleration in growth of imports would have become more apparent. Energy imports rose by 42.2% on an annual basis to \$48.2 billion. The composition of foreign trade with main trading partners also showed a significant change in 2008. The share of EU countries in total exports, which was 56.3% in 2007, decreased to 48% in 2008. The fall in the share of EU countries confirmed the adverse effects of global financial crisis on the EU economies.

Current account deficit was realized well below the expectations in November.

Current account deficit in November decreased by 83.3% to \$559 million compared to the same month of the previous year. This was the lowest monthly current account deficit registered since September 2005. As a result of narrowing trade deficit due to the slowdown in domestic and global demand, the current account deficit remained limited in November. The deficit in the first eleven months of the year rose by 17.6% compared to the same period of the previous year and increased to \$38.9 billion. On the other hand, the 12-month cumulative deficit decreased from \$46.9 billion in October to \$44.1 billion in November.

| (\$ million) | December 2007- November 2008 | January – November 2007 | 2008 | Change (%) |
|---------------------------------------|---------------------------------|----------------------------|----------------|---------------|
| Current Account Balance | -44,093 | -33,056 | -38,861 | 17.6 |
| Foreign Trade Balance | -55,198 | -41,848 | -50,385 | 20.4 |
| Services Balance | 16,693 | 13,210 | 16,660 | 26.1 |
| Tourism Revenues (net) | 18,194 | 14,685 | 17,652 | 20.2 |
| Income Balance | -7,748 | -6,363 | -7,005 | 10.1 |
| Current Transfers | 2,160 | 1,945 | 1,869 | -3.9 |
| Capital and Financial Accounts | 42,104 | 30,945 | 36,481 | 17.9 |
| Direct Investments (net) | 16,811 | 16,817 | 13,677 | -18.7 |
| Portfolio Investments (net) | -4,338 | 110 | -4,945 | - |
| Equity Securities | 919 | 4,679 | 460 | -90.2 |
| Debt Securities | -3,640 | -2,849 | -4,131 | 45.0 |
| Other Investments (net) | 33,224 | 20,797 | 30,089 | 44.7 |
| Loans | 34,368 | 23,612 | 30,458 | 29.0 |
| Banking Sector | 6,133 | 4,864 | 5,389 | 10.8 |
| Non-Bank Sectors | 26,945 | 23,034 | 24,164 | 4.9 |
| Reserve Assets (net) | -3,593 | -6,779 | -2,340 | -65.5 |
| Net Errors and Omissions | 1,989 | 2,111 | 2,380 | 12.7 |

Source: CBRT

In November, a net capital outflow of \$1.6 billion was registered.

In November, a net capital outflow of \$1.6 billion stemmed mainly from the portfolio investments and foreign debt repayments. The ongoing net capital outflows

registered in portfolio investments since August were noteworthy. Foreign direct investments also decreased to \$569 million, the lowest figure of the last year. On the other hand, 12-month cumulative foreign direct investments were realized as \$16.8 billion in November. Other investments account, which has made the highest contribution to the financing of the current account deficit in recent years, also registered a net capital outflow of \$1.7 billion. Due to the deteriorating global credit conditions, long term loans of non-bank sectors raised from abroad have decreased to the lowest level since February 2007. While banking sector was a net debt payer in November, net errors and omissions item remained at high levels and registered an inflow of \$2.2 billion. Thus, net inflow in net errors and omissions item reached \$9.8 billion in the last two months of 2008.

Financing of the current account deficit remains important.

Relatively low levels of foreign direct investments, downward trend of non-bank sector loans raised from abroad and ongoing net capital outflows in portfolio investments continue to make the financing of the current account deficit a source of concern. On the other hand, a stand-by arrangement with the IMF may decrease concerns about the financing of the current account deficit. Moreover, current account deficit would tend to narrow in the coming period as a result of the fall in oil prices, depreciation of TRY and weak domestic demand.

Primary surplus remained below the year-end target.

The budget gave a deficit of TRY8.8 billion while the deficit in primary balance was realized as TRY6.9 billion in December due to the rapid increase in non-interest expenditures and the decrease in budget revenues. Thus, in 2008, the budget deficit was realized as TRY17.1 billion and remained slightly below the year-end target. However, the year-end target for the primary surplus could not be achieved.

| (TRY million) | Dec. 2008 | Annual % Change | January-December 2008 | Annual % Change | Budget Target | Real./Target (%) |
|---------------------------|---------------|-----------------|-----------------------|-----------------|----------------|------------------|
| Expenditures | 23,937 | 21.7 | 225,967 | 10.7 | 222,553 | 101.5 |
| Interest Expenditures | 1,871 | 4.5 | 50,661 | 3.9 | 56,000 | 90.5 |
| Non-interest Expenditures | 22,066 | 23.4 | 175,306 | 12.9 | 166,553 | 105.3 |
| Revenues | 15,140 | -3.4 | 208,898 | 9.7 | 204,556 | 102.1 |
| Tax Revenues | 12,014 | -1.9 | 168,087 | 10.0 | 171,206 | 98.2 |
| Other Revenues | 3,126 | -8.8 | 40,811 | 8.8 | 33,350 | 122.4 |
| Budget Balance | -8,797 | 120.3 | -17,069 | 24.5 | -17,997 | 94.8 |
| Primary Balance | -6,926 | 214.4 | 33,592 | -4.1 | 38,003 | 88.4 |

Source: Ministry of Finance

In December, the non-interest expenditures increased rapidly. This increase stemmed mainly from the rise in current transfers and capital expenditures ahead of the upcoming local elections. This development also revealed that the public expenditures continued to contribute to the economic growth in the last quarter of 2008. In line with the significant increase in investment expenditures in the second half of 2008, the capital expenditures exceeded the appropriation by 57%.

The tax revenues, the most important item in the budget revenues, continued to decline in the last month of the year. In fact, due to the deterioration in the aggregate demand conditions, the VAT on Imports and Special Consumption Tax decreased by 14.8% and 6.8% respectively on an annual basis. This indicated a significant decline in the consumption expenditures in the last quarter of 2008.

Negotiations with the IMF...

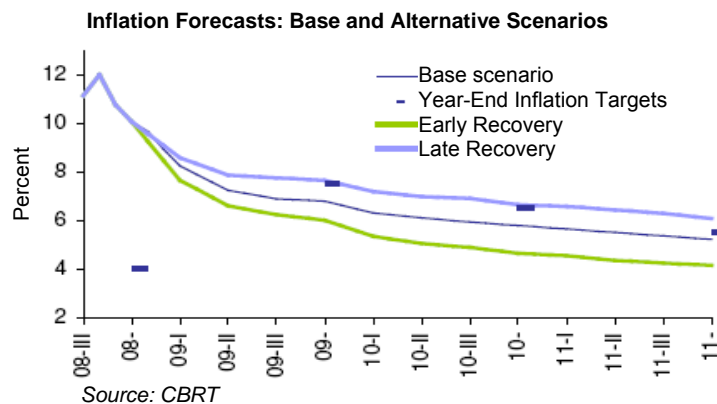
Considering Turkey's external financing requirement as well as the high level of global risk perception, the negotiations with the IMF would be important for the budget performance in the coming period. As the reflections of global economic slowdown became more apparent, Turkish real sector's need for a government support increased. Therefore, it is expected that measures regarding the real sector would be prominent in the new stand-by arrangement with the IMF.

The CBRT cut the short-term interest rates by 200 basis points.

The Monetary Policy Committee of CBRT decided to cut short term borrowing and lending rates by 200 basis points to 13% and 15.50%, respectively at its meeting on January 15th. According to the statement released after the meeting, it was declared that recent readings indicated that the slowdown in the domestic economic activity has further intensified. The Committee expressed that latest forecasts suggested that ongoing problems in international credit markets and the global economy would last longer than previously envisaged. Therefore, downward pressures on both domestic and external demand and inflation would continue. Moreover, the Committee declared that significant falls in oil and other commodity prices had a favorable impact on disinflation and underlined that inflation would be close to the target by mid-2009, and that the probability of undershooting the target by the end of the year has increased. The Committee has judged that moving forward a sizeable portion of the rate cuts envisaged for the coming months would help offset the tightening in financial conditions. CBRT would continue to take the necessary measures to contain the adverse effects of the global financial turmoil on the domestic economy, provided that they do not conflict with the price stability objective.

CBRT revised downwards its medium term inflation estimates.

According to the Inflation Report published in January, Central Bank revised downwards its medium term inflation estimates due to the decrease in energy prices and the weak course of total demand. Moreover, it was stated that despite the recent interest rate cuts, the probability of undershooting the target by the end of the year has increased. Assuming a decelerating pace of reductions in policy rates during the earlier part of 2009, with 70% probability, CBRT estimates that inflation will be between 5.4% and 8.2% (mid-point 6.8%) at the end of 2009, and between 4% and 7.6% (mid-point 5.8%) at the end of 2010. CBRT expects the inflation to come down to 5.2% by the end of 2011.



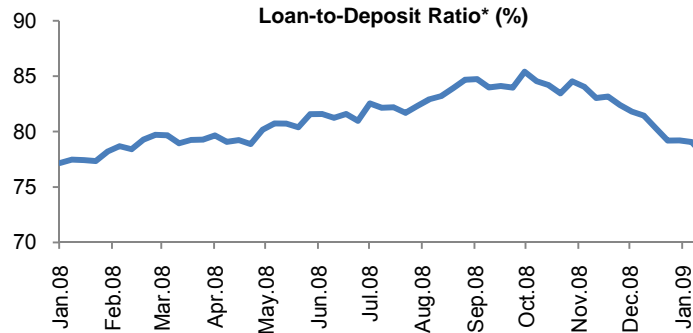
BANKING SECTOR

In 2008, deposit volume rose rapidly due to the increase in FX rate.

As of December 26, 2008, total deposits increased by 27.4% to TRY433.4 billion compared to the year-end of 2007. The rapid increase in total deposits in 2008 stemmed from the rise in TRY deposits as well as the FX deposits in TRY terms due to the depreciation of TRY. As of January 16, 2009, total deposits increased by 1.7% to TRY440.9 billion compared to the year-end of 2008.

Decrease in loan-to-deposit ratio...

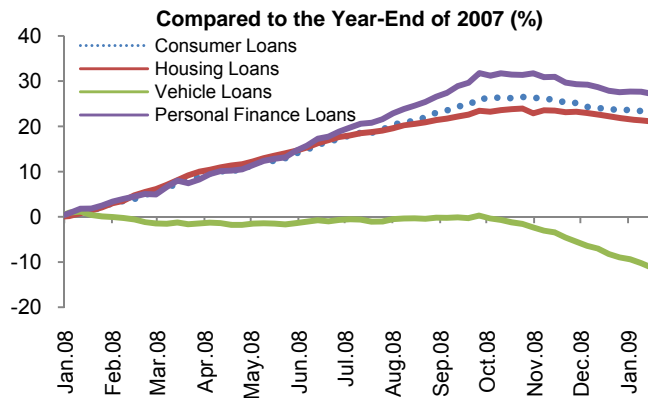
Loan-to-deposit ratio declined to 77.9% as of January 16th, 2009. The ratio increased rapidly in the first nine months of 2008, reached its peak (85.4%) on October 3rd. However, it tended to decrease in the following period.



(* Excluding interbank deposits and financial sector loans
Source: BRSA

Declining tendency in consumer credits continues.

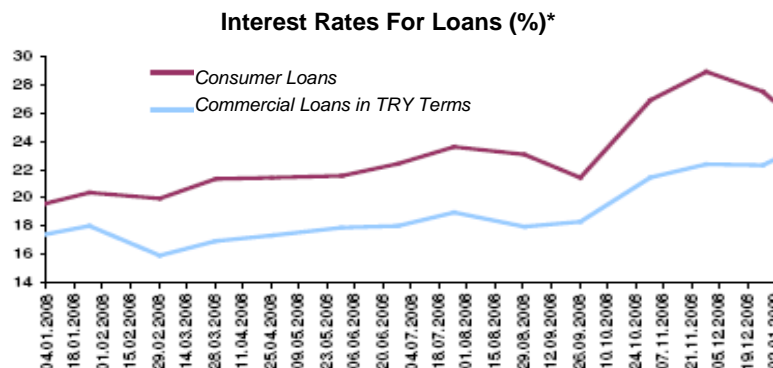
As of December 26, 2008, total credit volume rose by 31.1% to TRY343.2 billion compared to the year-end of 2007. As of January 16, 2009, total credit volume increased by 0.1% compared to the year-end of 2008 and reached TRY343.7 billion. The increase in the credit volume tended to slow down. The decline in consumer loans especially in vehicle and housing loans, have continued to affect credit volume negatively since October.



Source: BRSA

Falling interest rates for consumer loans...

The interest rates for consumer loans tended to decline due to the unexpectedly large cuts in policy interest rates by the CBRT. This is anticipated to have a positive impact on consumer loans in the coming period. However, the interest rates for commercial loans in TRY terms maintain their high levels.



*Weighted-average, current
Source: CBRT Inflation Report, 2009-I

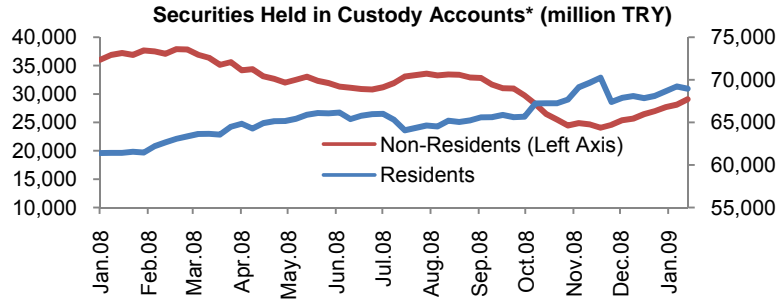
Rise in securities portfolio...

As of December 26, 2008, securities portfolio of the banking sector rose by 17.5% to TRY192.8 billion compared to year-end of 2007. As of January 16, 2009, securities portfolio increased by 2.4% to TRY197.4 billion compared to the end of 2008. In this

period, “held-to-maturity” securities portfolio decreased by 0.8%, while “available for sale” securities portfolio increased by 14.3%.

Increase in securities held in custody accounts...

In 2008, residents’ securities portfolio rose by 11.3%, whereas non-residents’ portfolio declined by 25% compared to the year-end of 2007. Thus, total securities portfolio held in custody accounts declined by 2.1% on an annual basis in 2008. As of January 16, 2009, securities portfolio held in custody accounts increased by 3.1% compared to the end of 2008. The holdings of non-residents have tended to increase since the last weeks of 2008.



(* Market value
Source:BRSA

Banking sector net FX position was realized as -\$179 million.

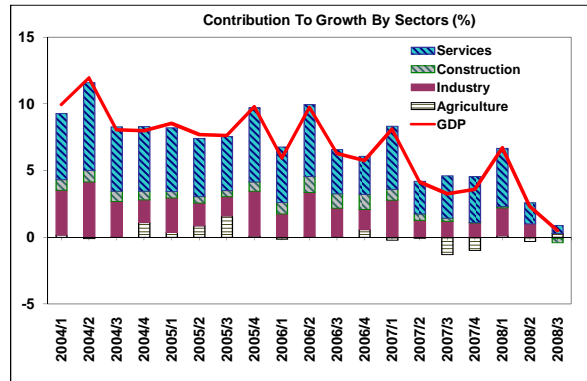
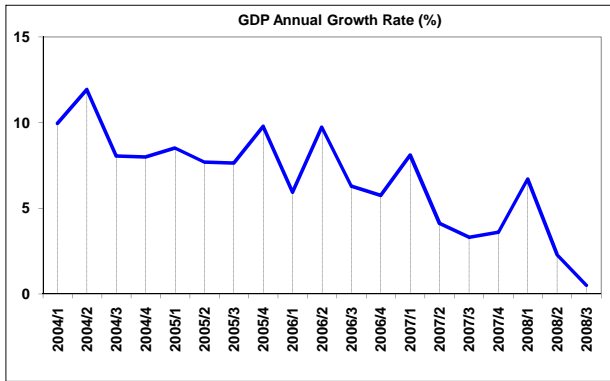
On January 16th, 2009, the net FX position of the banking sector was realized as -\$179 million. On-balance sheet FX position was -\$2.495 million, whereas off-balance sheet FX position was \$2.316 million.

Expectations...

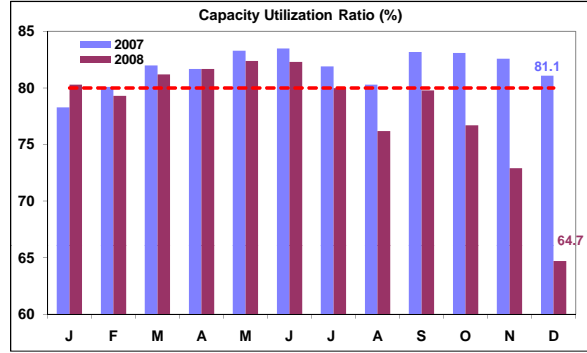
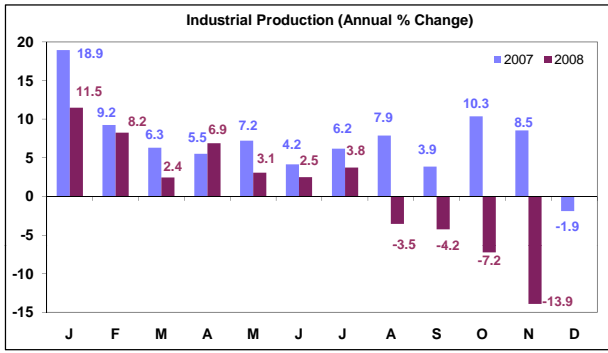
In 2009, as the impacts of global financial crisis would become more evident, deteriorating expectations together with the slowdown in consumption and investment expenditures would continue to restrain the credit expansion of the banking sector. Although the policy rate cuts of the CBRT have positive impacts on the interest rates for consumer loans, the rate cuts would not affect the consumption and investment expenditures concurrently. Thus, the impact of loosening monetary policy on credit volume would be limited in the short term.

TURKISH ECONOMY AT A GLANCE

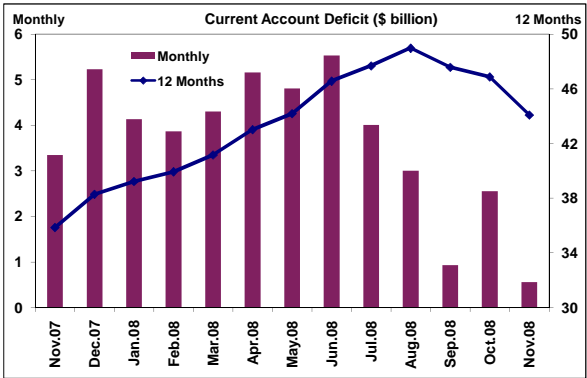
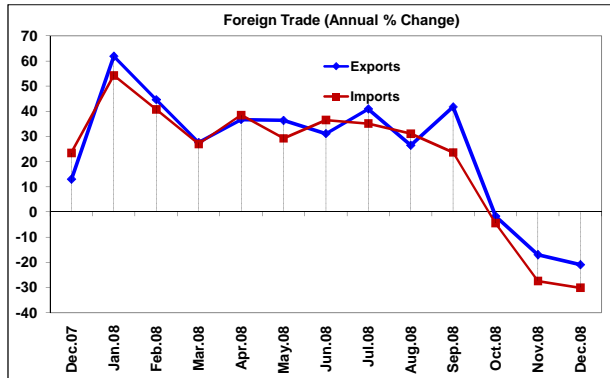
GROWTH



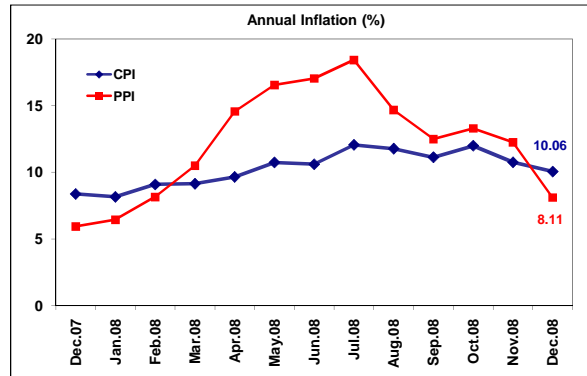
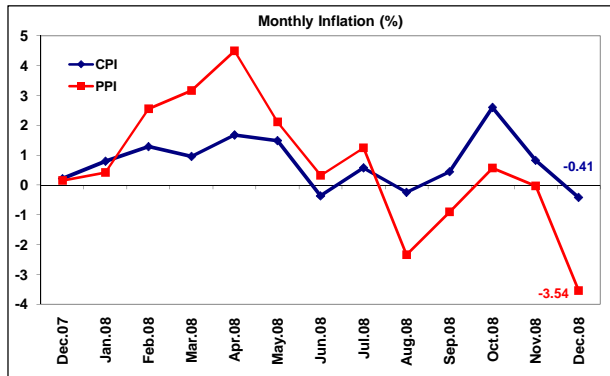
INDUSTRIAL PRODUCTION



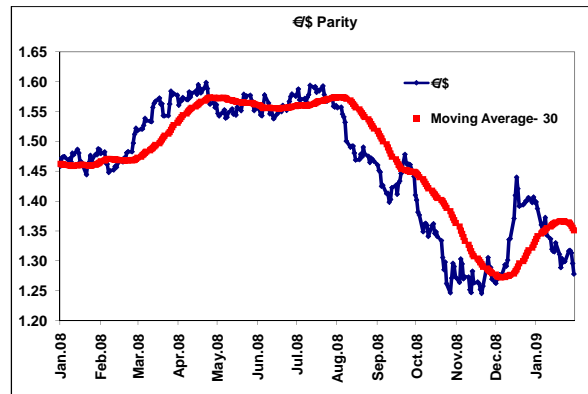
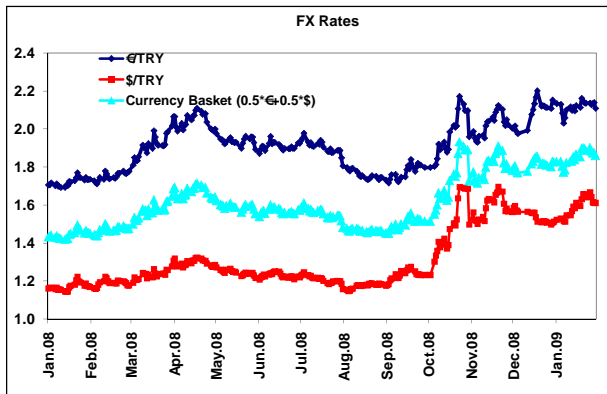
FOREIGN TRADE



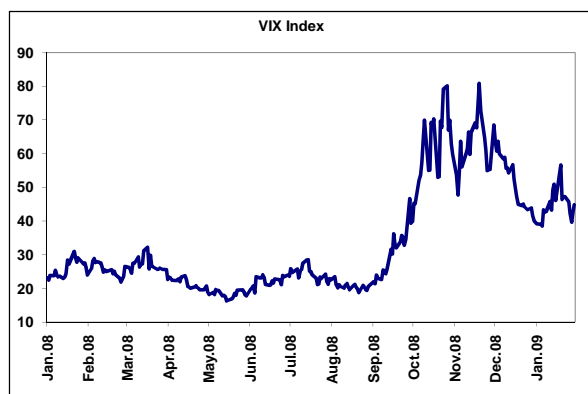
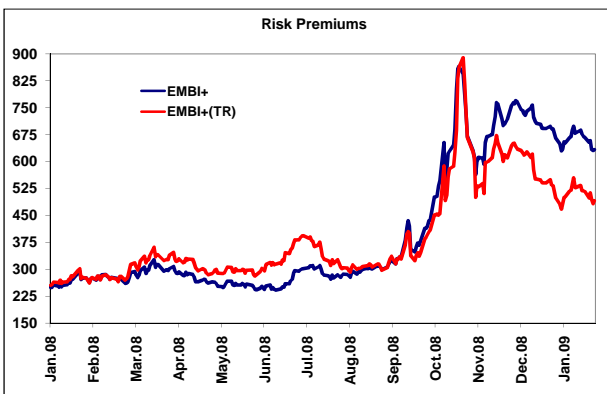
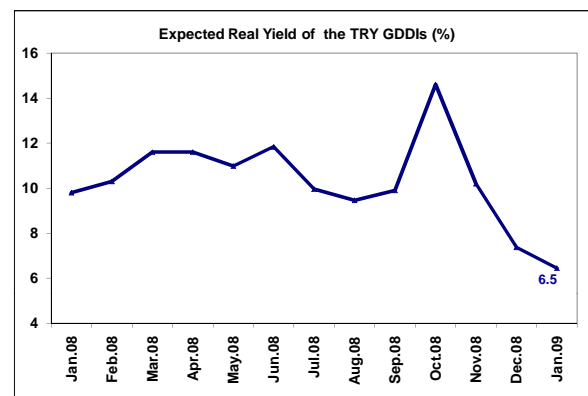
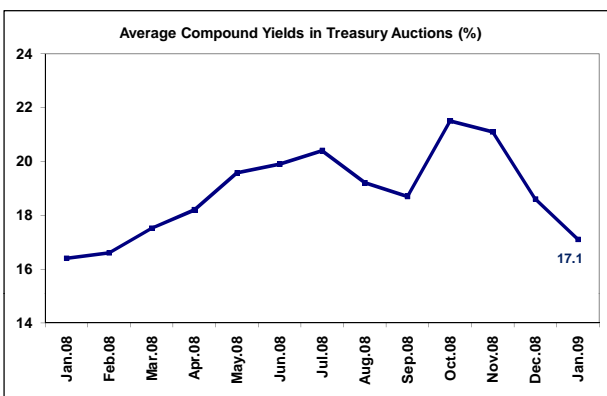
INFLATION



FX MARKETS

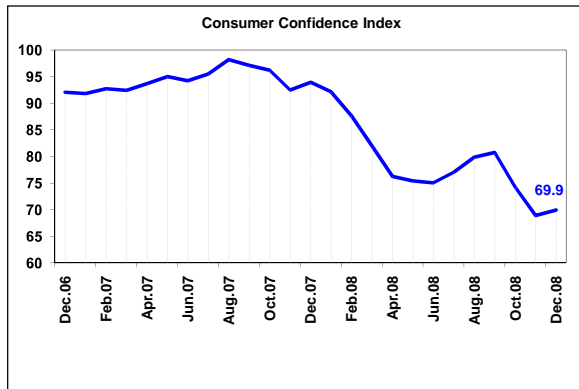
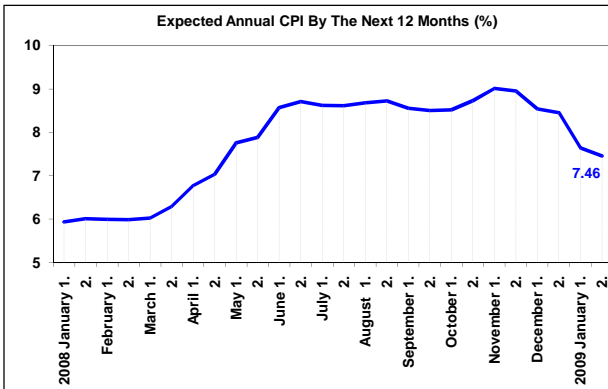
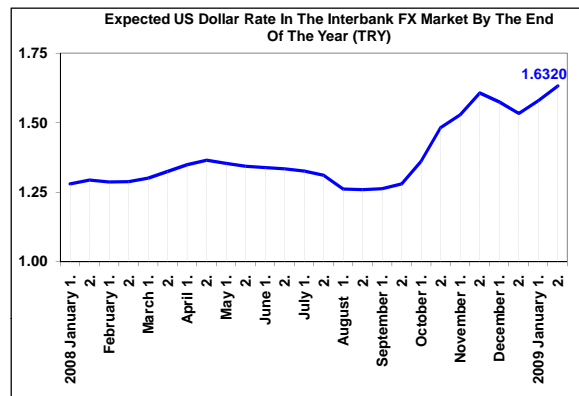
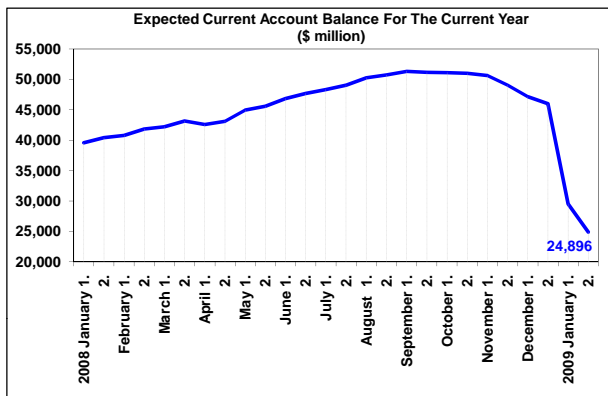
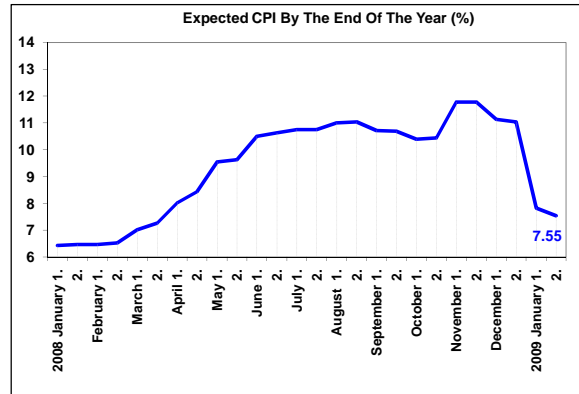
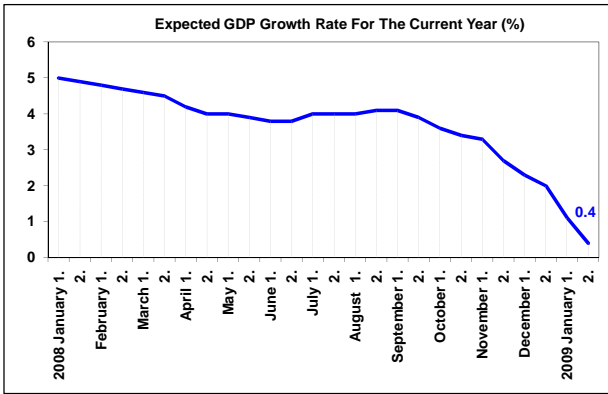


BOND-BILL MARKETS



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

SURVEY OF EXPECTATIONS AND OTHER LEADING INDICATORS



Source: CBRT

ECONOMIC INDICATORS

| GROWTH | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008/Q1 | 2008/Q2 | 2008/Q3 |
|---|---------|---------|---------|---------|---------|---------|-----------------------|-----------------------|---------|
| GDP (\$ million) | 230,494 | 304,901 | 390,387 | 481,497 | 526,429 | 658,786 | | | |
| GDP Growth Rate (%) | 6.2 | 5.3 | 9.4 | 8.4 | 6.9 | 4.6 | 6.7 | 2.3 | 0.5 |
| INFLATION (%) | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov. 08 | Dec.08 | |
| PPI (annual) | 30.84 | 13.94 | 15.34 | 2.66 | 11.58 | 5.94 | 12.25 | 8.11 | |
| CPI (annual) | 29.75 | 18.36 | 9.35 | 7.72 | 9.65 | 8.39 | 10.76 | 10.06 | |
| FX RATES | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov. 08 | Dec.08 | Jan.09 |
| CPI Based Real Effective FX Rate Index | 125.4 | 140.6 | 143.2 | 171.4 | 160.1 | 190.3 | 169.4 | 166.8 | |
| \$/TRY | 1.6345 | 1.3958 | 1.3421 | 1.3430 | 1.4131 | 1.1647 | 1.5655 | 1.5123 | 1.6107 |
| Euro/TRY | 1.7035 | 1.7451 | 1.8268 | 1.5904 | 1.8586 | 1.7102 | 2.0215 | 2.1408 | 2.1084 |
| Euro/\$ | 1.0496 | 1.2586 | 1.3558 | 1.1840 | 1.3196 | 1.4589 | 1.2695 | 1.3978 | 1.2780 |
| BALANCE OF PAYMENTS (\$ million) | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov.08 ⁽¹⁾ | | |
| Exports | 40,719 | 52,394 | 68,535 | 78,365 | 93,611 | 115,364 | 132,364 | | |
| Imports | 47,109 | 65,883 | 91,271 | 111,353 | 134,552 | 162,025 | 182,749 | | |
| Foreign Trade Balance | -6,390 | -13,489 | -22,736 | -32,988 | -40,941 | -46,661 | -50,385 | | |
| Current Account Balance | -626 | -7,515 | -14,431 | -22,137 | -31,893 | -38,288 | -38,861 | | |
| CREDIT UTILIZATION FROM ABROAD (\$ million) | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov.08 ⁽¹⁾ | | |
| Banks | -1,028 | 1,975 | 5,708 | 9,248 | 5,814 | 5,608 | 5,389 | | |
| Long Term | -297 | -40 | 2,361 | 6,544 | 9,766 | 7,271 | 1,898 | | |
| Short Term | -731 | 2,015 | 3,347 | 2,704 | -3,952 | -1,663 | 3,491 | | |
| Other Sectors | 372 | 1,023 | 5,106 | 9,880 | 18,812 | 25,815 | 24,164 | | |
| Long Term | 1,100 | 735 | 4,765 | 9,513 | 18,317 | 25,601 | 23,069 | | |
| Short Term | -728 | 288 | 341 | 367 | 495 | 214 | 1,095 | | |
| BUDGET (TRY million) ⁽²⁾ | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov.08 ⁽¹⁾ | Dec.08 ⁽¹⁾ | |
| Expenditures | 119,604 | 141,248 | 152,093 | 159,687 | 178,126 | 203,501 | 202,030 | 225,967 | |
| Interest Expenditures | 51,728 | 58,527 | 56,491 | 45,680 | 45,963 | 48,732 | 48,791 | 50,661 | |
| Non-Interest Expenditures | 67,876 | 82,721 | 95,601 | 114,007 | 132,163 | 154,769 | 153,240 | 175,306 | |
| Revenues | 79,420 | 101,037 | 122,919 | 152,784 | 173,483 | 189,617 | 193,758 | 208,898 | |
| Tax Revenues | 60,205 | 82,484 | 100,342 | 119,627 | 137,480 | 152,832 | 156,073 | 168,087 | |
| Other Revenues | 19,215 | 18,553 | 22,577 | 33,157 | 36,003 | 36,785 | 37,685 | 40,811 | |
| Budget Balance | -40,184 | -40,210 | -29,173 | -6,903 | -4,643 | -13,883 | -8,272 | -17,069 | |
| Primary Balance | 11,543 | 18,317 | 27,318 | 38,777 | 41,320 | 34,848 | 40,518 | 33,592 | |
| CENTRAL GOVERNMENT DEBT STOCK (\$ billion) | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Nov.08 | Dec.08 | |
| Domestic Debt Stock | 91.7 | 139.3 | 167.3 | 182.4 | 178.9 | 219.2 | 175.3 | 181.7 | |
| External Debt Stock | 56.8 | 63.3 | 68.5 | 64.7 | 66.6 | 67.1 | 67.7 | 69.6 | |
| Total | 148.5 | 202.6 | 235.8 | 247.1 | 245.5 | 286.3 | 243.0 | 251.4 | |

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

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

(2) Data are according to the Central Government Budget.

BANKING SECTOR

| DEPOSITS (excluding interbank deposits) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | Change* (%) (II/I) |
|--|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| Total Deposits (TRY million) | 243,160 | 296,815 | 340,165 | 420,173 | 433,393 | 440,922 | 1.7 |
| TRY | 153,995 | 181,532 | 221,384 | 273,477 | 282,872 | 286,596 | 1.3 |
| FX | 89,165 | 115,283 | 118,781 | 146,696 | 150,521 | 154,326 | 2.5 |
| FX (\$ million) | 66,203 | 82,257 | 102,601 | 94,653 | 101,630 | 97,752 | -3.8 |
| FX deposits/Total deposits (%) | 36.7 | 38.8 | 34.9 | 34.9 | 34.7 | 35.0 | - |
| SECURITIES HELD IN CUSTODY ACCOUNTS (TRY million) (market value) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | Change* (%) (II/I) |
| Total | 86,833 | 97,943 | 98,941 | 93,695 | 95,093 | 98,025 | 3.1 |
| Residents | 62,212 | 62,523 | 62,846 | 69,078 | 68,110 | 68,954 | 1.2 |
| Non-Residents | 24,621 | 35,420 | 36,095 | 24,618 | 26,983 | 29,071 | 7.7 |
| SECURITIES PORTFOLIO (TRY million) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | Change* (%) (II/I) |
| Total | 142,853 | 158,871 | 164,105 | 195,334 | 192,810 | 197,431 | 2.4 |
| CREDITS (TRY million) (excluding loans to financial institutions) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | Change* (%) (II/I) |
| Credit Volume | 147,510 | 207,603 | 261,743 | 346,249 | 343,246 | 343,679 | 0.1 |
| TRY | 105,945 | 153,316 | 198,935 | 244,499 | 243,990 | 241,734 | -0.9 |
| FX | 41,565 | 54,287 | 62,809 | 101,751 | 99,257 | 101,945 | 2.7 |
| Retail Loans | 62,348 | 91,584 | 124,645 | 154,453 | 152,589 | 152,005 | -0.4 |
| Consumer and Installment Com. Loans | 45,010 | 69,942 | 98,071 | 121,092 | 119,128 | 118,175 | -0.8 |
| Consumer Loans | 28,618 | 45,931 | 65,813 | 82,401 | 81,413 | 80,696 | -0.9 |
| Housing | 12,405 | 22,165 | 30,898 | 38,075 | 37,658 | 37,418 | -0.6 |
| Automobile | 6,146 | 6,405 | 5,928 | 5,602 | 5,397 | 5,260 | -2.5 |
| Personal Finance Loans | 8,874 | 15,884 | 26,019 | 33,653 | 33,195 | 33,105 | -0.3 |
| Consumer and Commercial Credit Cards | 17,338 | 21,642 | 26,574 | 33,361 | 33,461 | 33,830 | 1.1 |
| Retail Loans/Total Credits (%) | 42.3 | 44.1 | 47.6 | 44.6 | 44.5 | 44.2 | - |
| NPL RATIO (%) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | |
| Total Loans | 4.8 | 3.8 | 3.6 | 3.3 | 3.5 | 3.7 | |
| Retail Loans | 2.5 | 2.4 | 2.5 | 3.6 | 3.8 | 4.0 | |
| Consumer and Installment Com. Loans | 0.7 | 0.8 | 1.5 | 2.7 | 2.9 | 3.1 | |
| Consumer Loans | 0.7 | 0.8 | 1.3 | 2.1 | 2.2 | 2.4 | |
| Consumer and Commercial Credit Cards | 7.1 | 7.3 | 6.2 | 6.4 | 6.7 | 6.8 | |
| BANKING SECTOR NET FX POSITION (\$ million) | 2005 | 2006 | 2007 | Nov. 08 | Dec. 08(I) | 16 Jan.09(II) | |
| Total | -97 | 184 | -296 | -164 | -91 | -179 | |
| On-Balance Sheet | -1,880 | -5,467 | -10,511 | -4,377 | -4,129 | -2,495 | |
| Off-Balance Sheet | 1,784 | 5,651 | 10,215 | 4,212 | 4,038 | 2,316 | |

Source: BRSA

(*) Year to date change

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