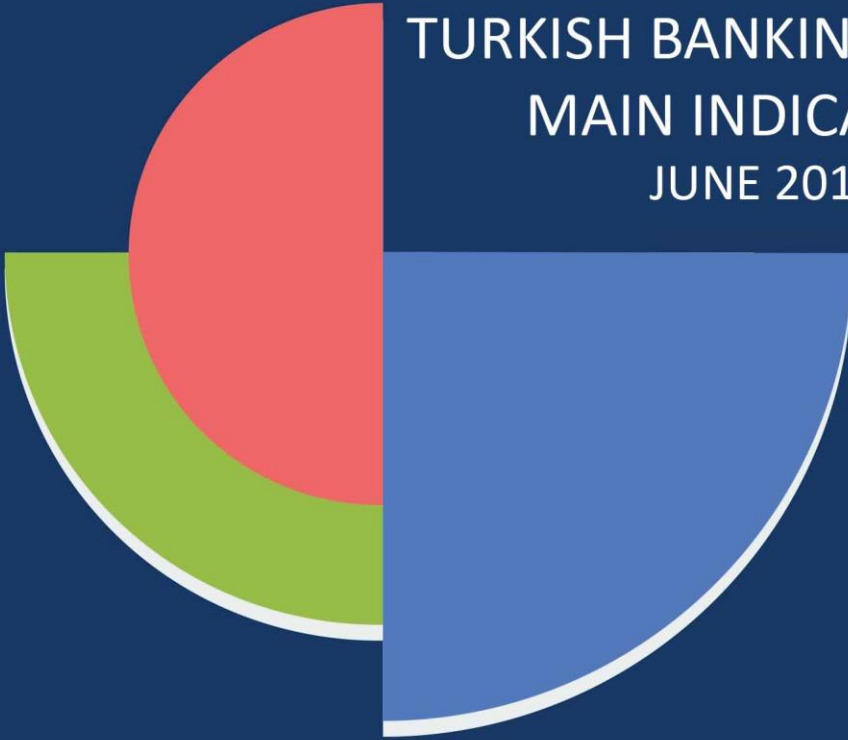




**BANKING
REGULATION AND SUPERVISION
AGENCY OF TURKEY**

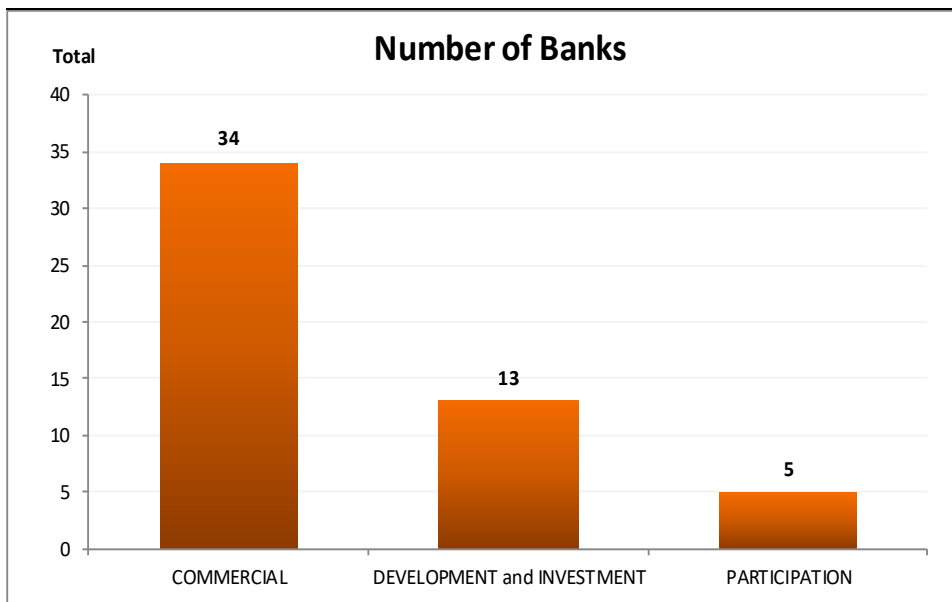


TURKISH BANKING SECTOR MAIN INDICATORS JUNE 2018

TABLE OF CONTENTS

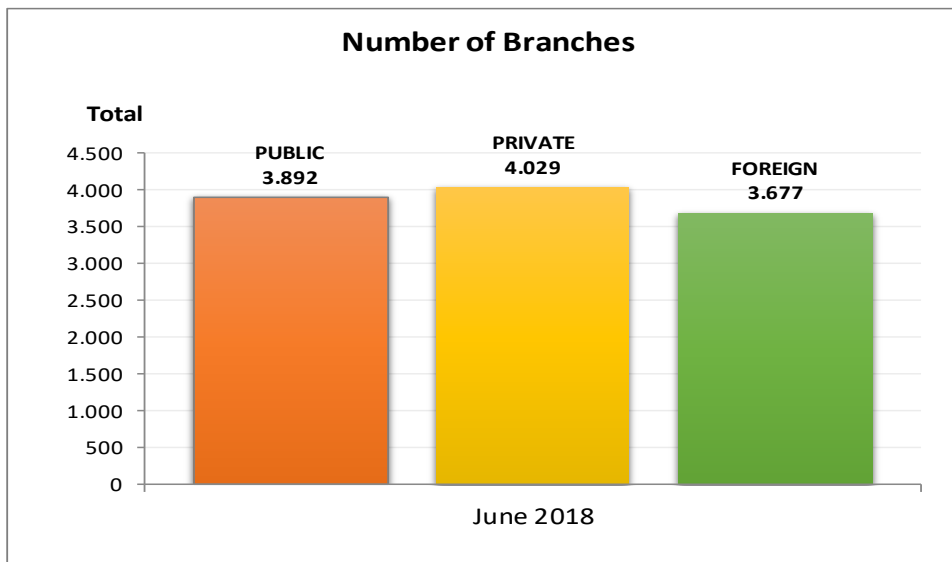
Number of Banks, Branches and Personnel.....	1
Selected Balance-Sheet Items.....	2
On-balance Sheet Figures.....	4
Off-balance Sheet Figures	5
Development of Main Figures	7
Profitability.....	8
Loans.....	10
Non-Performing Loans.....	14
Securities.....	16
Deposits.....	17
Payables to Banks and Repo.....	19
Capital Adequacy.....	20
Explanations.....	22

Number of Banks, Branches and Personnel

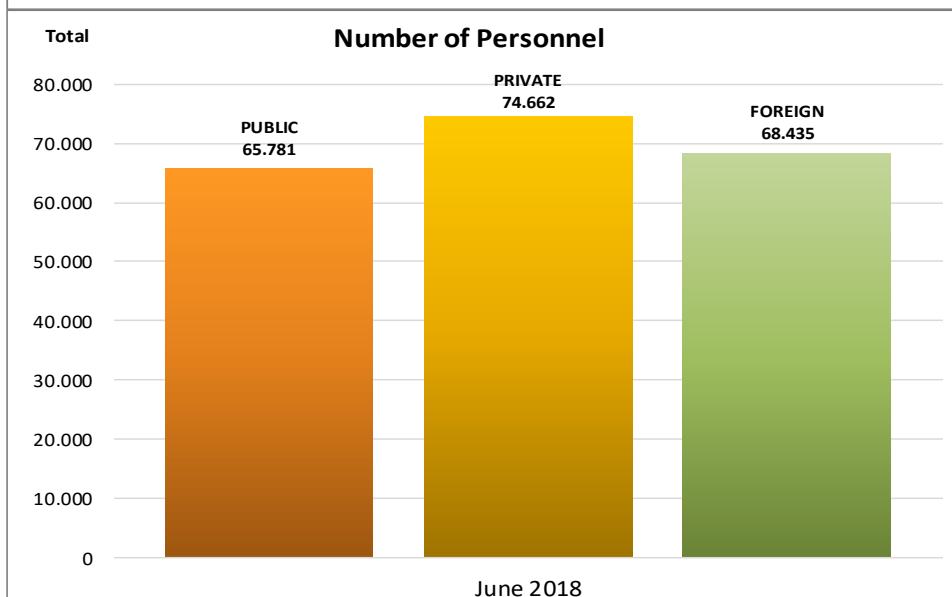


As of June 2018, there are 52 banks operating in Turkish Banking Sector as;

- 34 Deposit banks,
- 13 Development and Investment banks,
- 5 Participation banks.



Number of branches and personnel in banking sector increased by 51 and 927, respectively when compared to the previous quarter (March 2018).



As of June 2018 period, number of branches realized as 11.598 while number of personnel realized as 208.878.

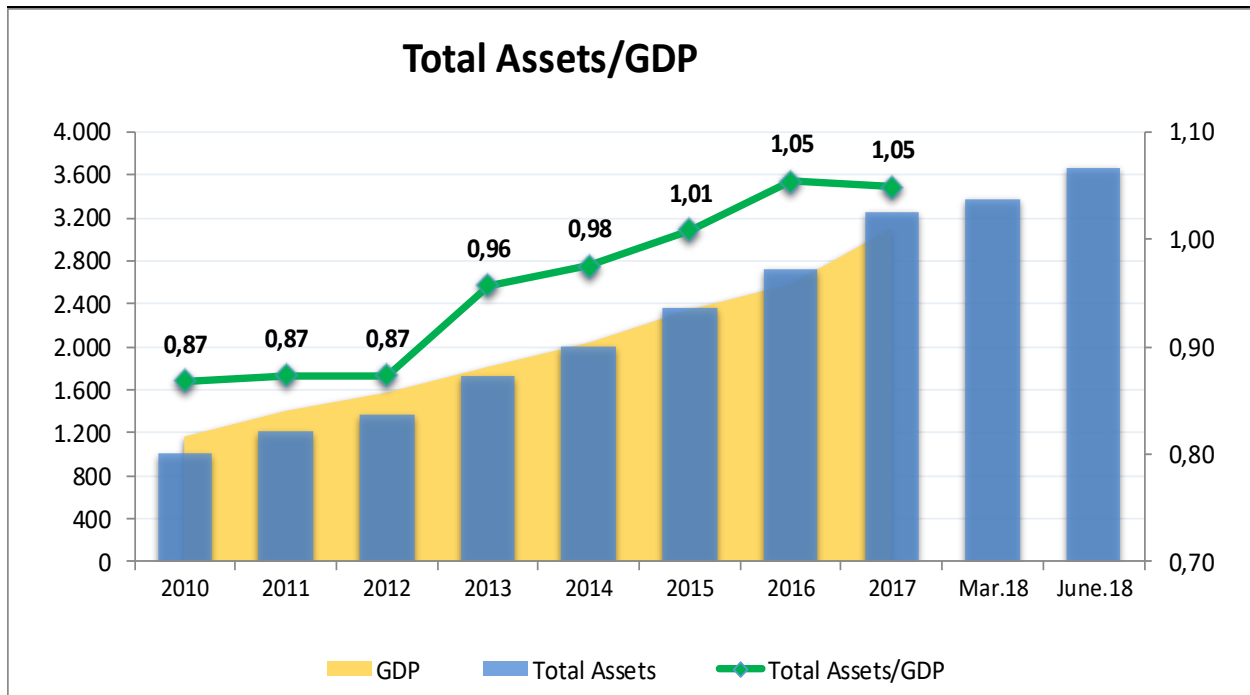
Selected Balance Sheet Items

ASSETS	Total (Billion TL)	Changes (%)	
		Previous Quarter	Previous End of Year
CASH and CASH EQUIVALENTS*	295	19,5	12,8
REQUIRED RESERVES	261	1,4	15,1
LOANS	2.353	7,1	12,1
NON-PERFORMING LOANS (GROSS)	74	12,0	14,9
SECURITIES	432	6,1	7,5
OTHER ASSETS	331	23,6	22,6
TOTAL ASSETS	3.672	8,8	12,7
LIABILITIES			
DEPOSITS	1.899	6,9	11,0
DUE TO BANKS	581	16,2	22,3
FUNDS FROM REPO TRANSACTIONS	210	121,8	112,9
SECURITIES ISSUED	176	8,6	20,9
EQUITIES	395	4,9	9,9
OTHER LIABILITIES	411	-11,7	-12,4
TOTAL LIABILITIES	3.672	8,8	12,7
* Sum of Cash, Receivables from Central Bank, Money Market, and banks items			

Total assets of Turkish Banking Sector increased by 8,8% to TL 3.672 billion in June 2018 when compared to the previous year-end.

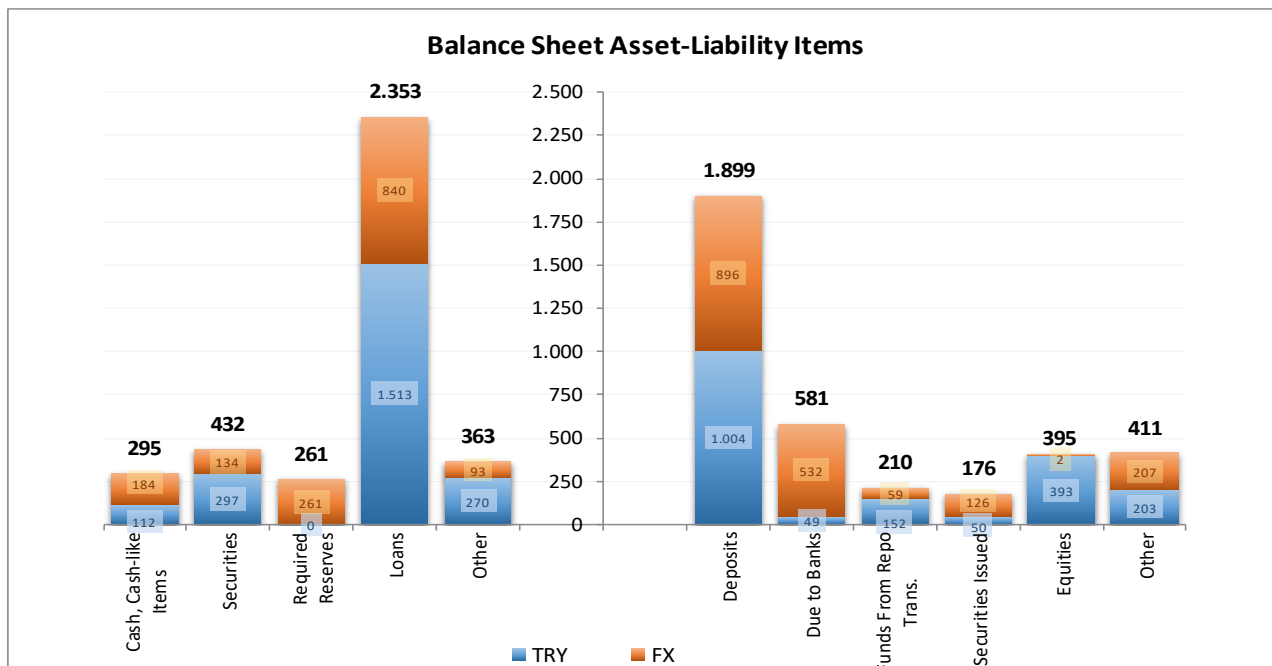
OFF-BALANCE SHEET ITEMS	Total (Billion TL)	Changes (%)	
		Previous Quarter	Previous End of Year
Contingencies	761	9,6	15,6
Commitments	4.069	16,7	25,3
- Derivative Financial Instruments	3.295	20,1	29,6
- Other Commitments	773	4,4	9,6

Of off-balance sheet items,
 - Contingencies increased by 9,6%;
 - Derivative financial assets increased by 20,1%
 in June 2018 when compared to the previous year-end.



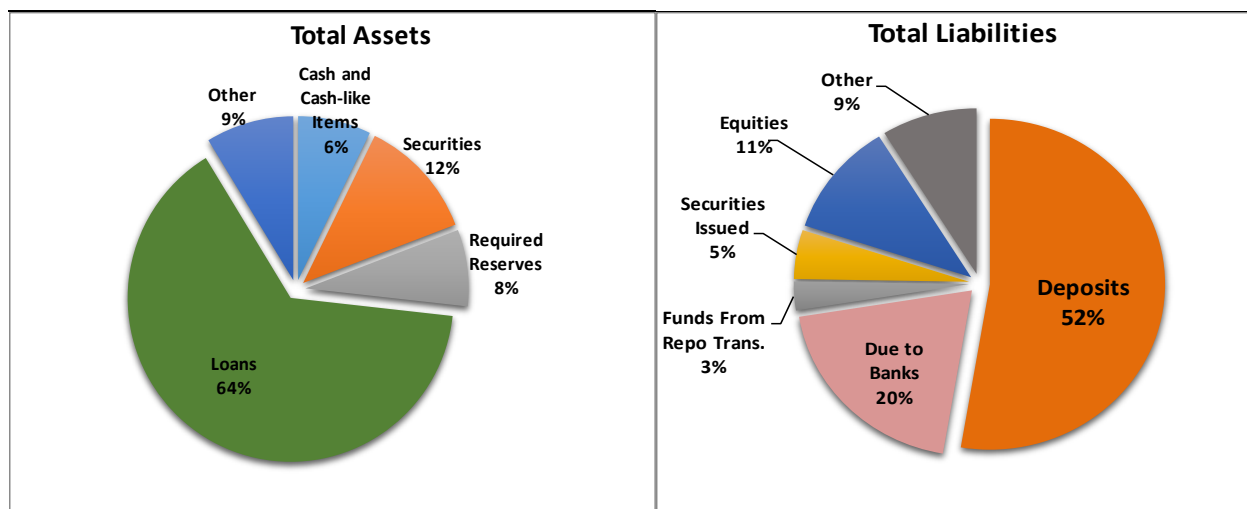
The ratio of asset size of Turkish Banking Sector to GDP realized as 1,05 as of end-2017.

Selected Balance Sheet Figures



The ratio of FX assets in balance sheet to total assets realized as 41% while the ratio of total FX liabilities to total liabilities realized as 50%.

The share of FX loans in total loans is 36% while the ratio of FX deposit to total deposit is 47%.

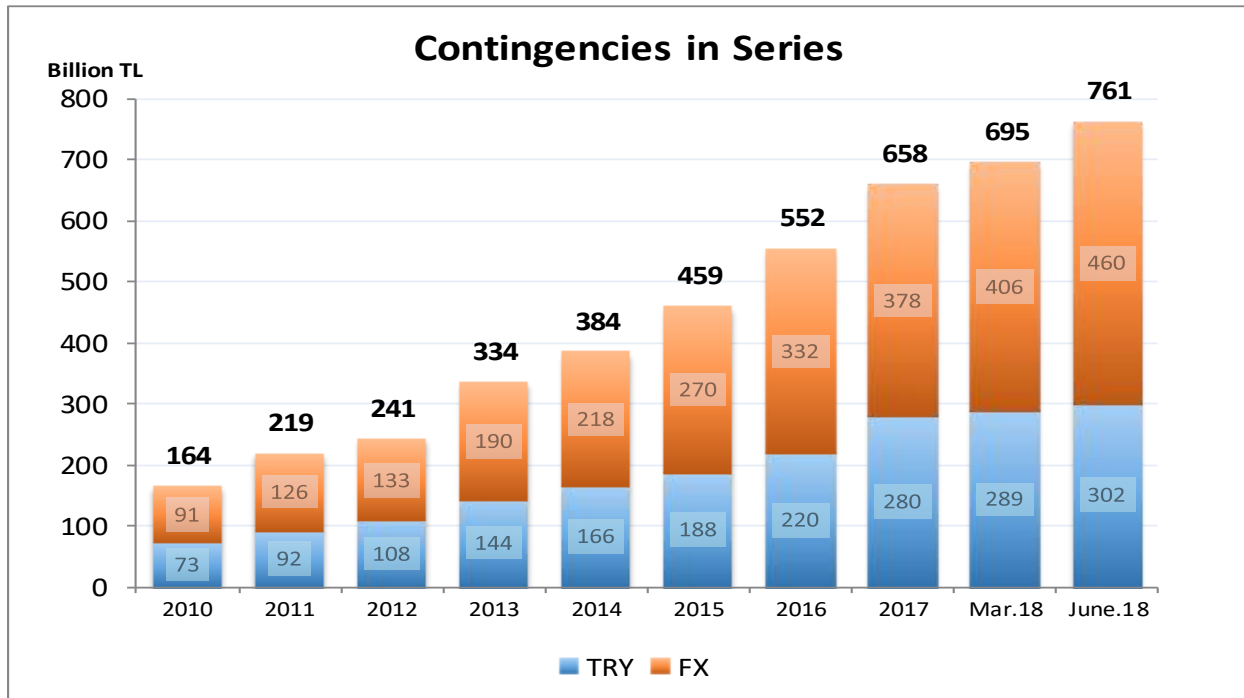


The share of loans, securities and required reserves in total assets realized as 64%, 12% and 8%, respectively.

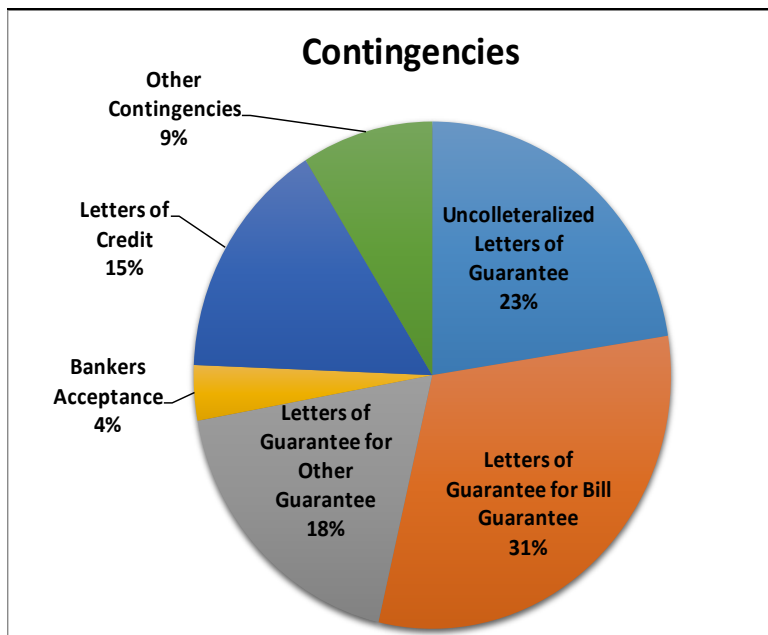
While deposit has the biggest share by 52% in total liabilities, share of payables to banks is 20% and funds from repo is 3%.

The share of equities in total liabilities is 11%.

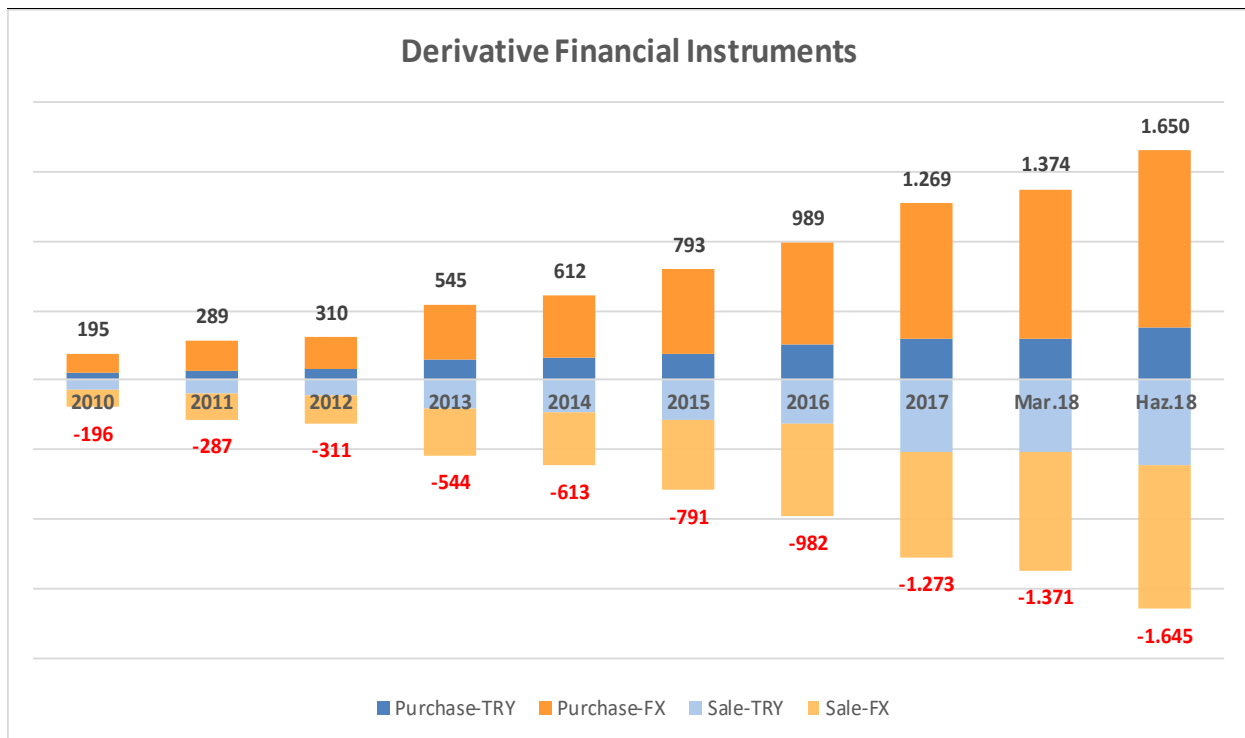
Off-Balance Sheet Figures



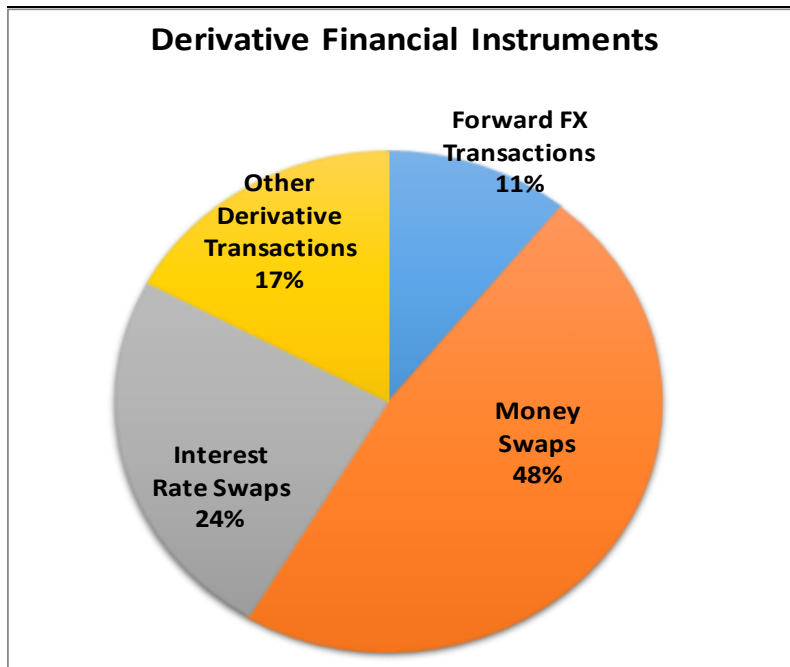
As of June 2018, size of contingencies realized as TL 761 billion.



As letters of guarantee is the biggest share in contingencies, share of letters of credit is 15%.

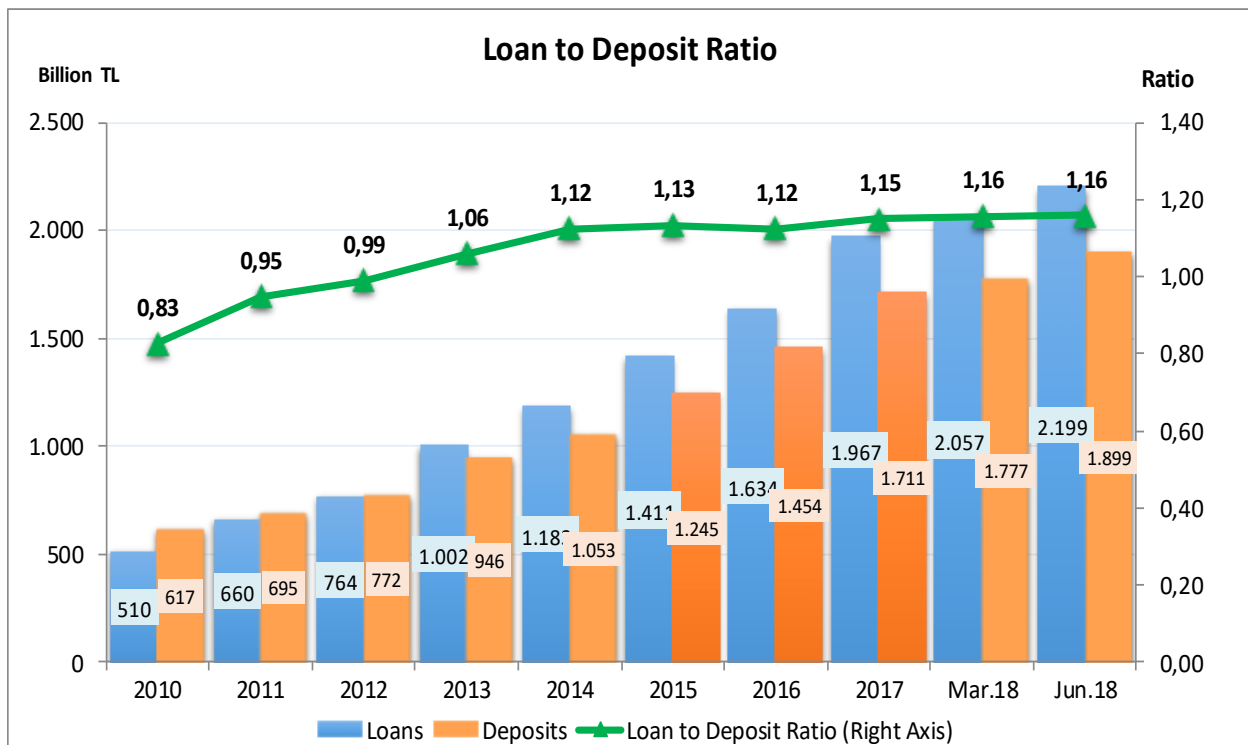


As of June 2018, derivative purchase amount realized as TL 1.650 billion and derivative sales amount realized as TL 1.645 billion.



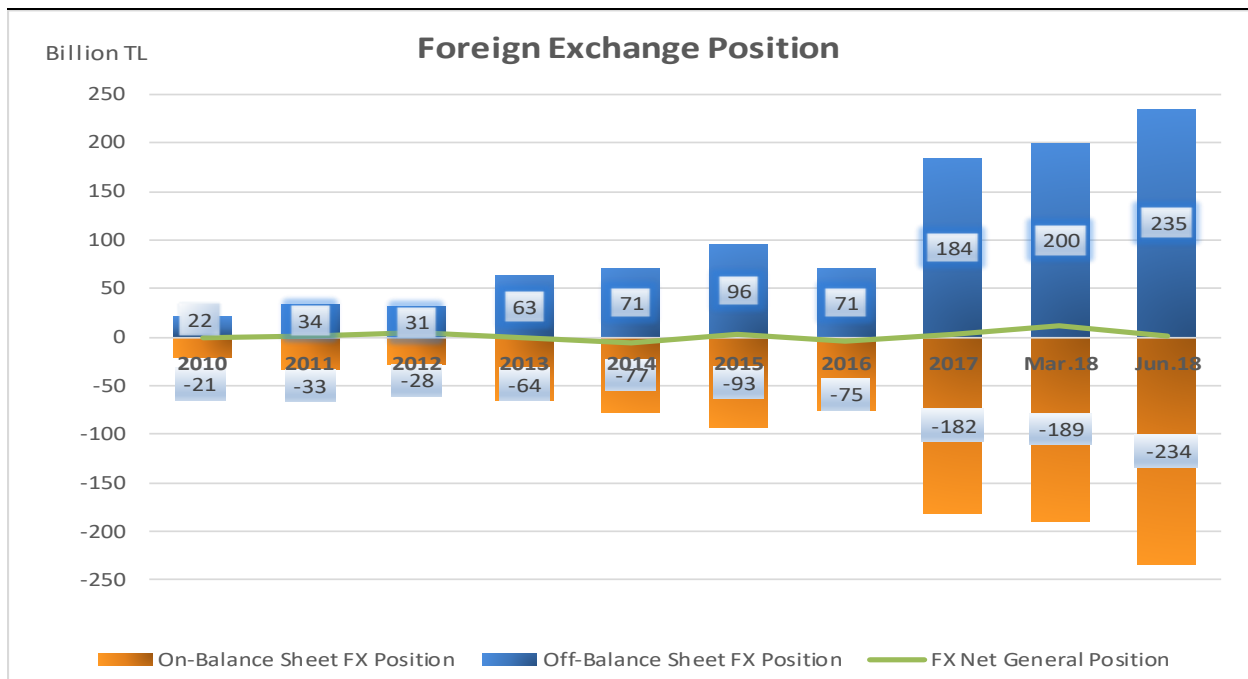
48% of derivative transactions in off-balance sheet items is from swap money transactions, 24% from swap interest rate transactions and 11% is from forward exchange transactions.

Development of Main Figures



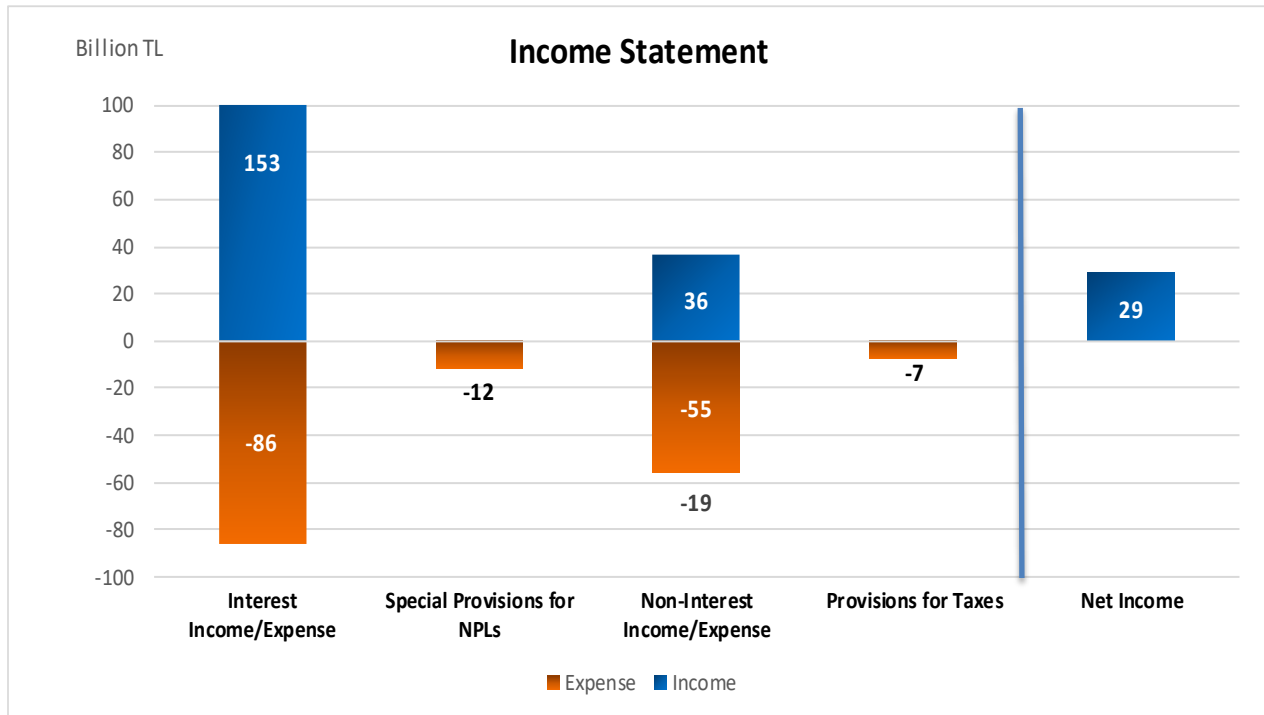
While loans in the fourth quarter of the year realized as TL 2.353 trillion, deposit realized as TL 1.899trillion. Conversion ratio of deposit to loans is 1,24 as of June 2018.

*Total loans don't include loans of development and investment banks.

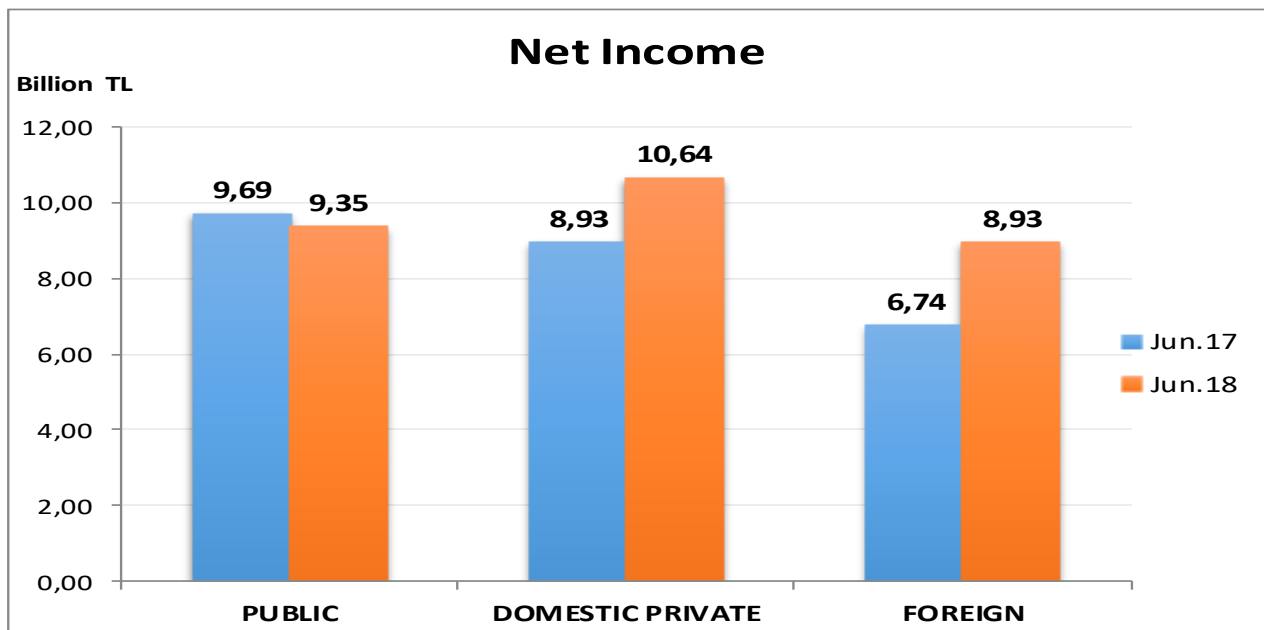


Off-balance sheet FX position has a surplus of TL 235 billion while on-balance sheet FX position has a deficit of TL 234 billion and FX Net General Position has a surplus of approximately TL 1 billion.

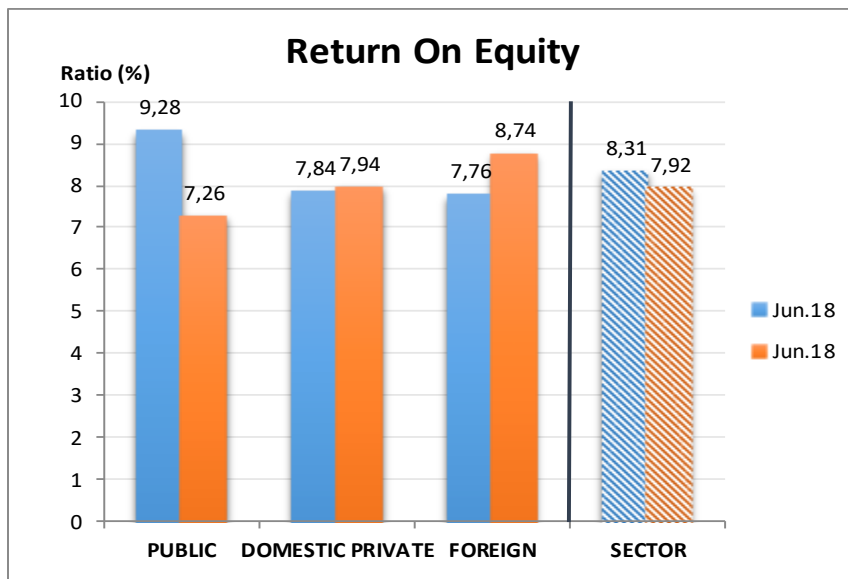
PROFITABILITY



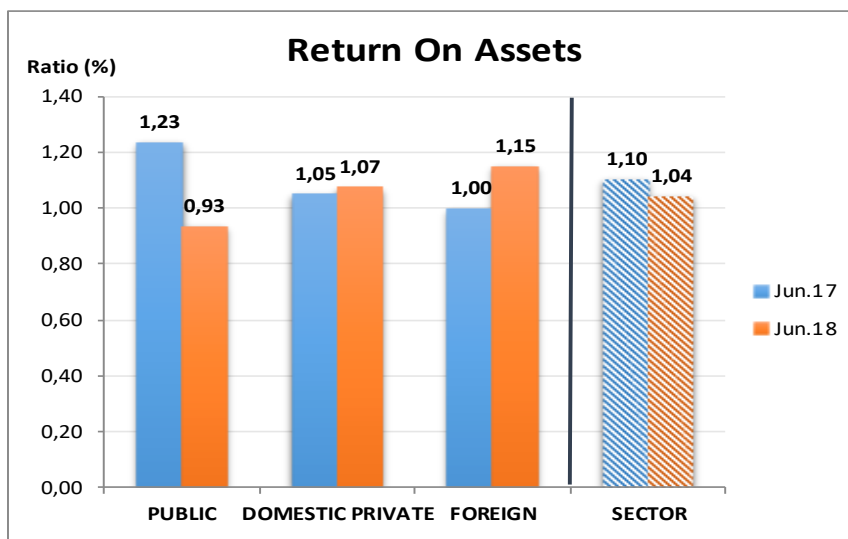
In the income statement of banking sector, interest income realized as TL 153 billion and interest expense realized as TL 86 billion. As of June 2018, net income of Turkish Banking Sector is TL 29 billion.



Net income of June 2018 period decreased in public and increased in domestic private and foreign bank groups when compared to the same period of 2017.

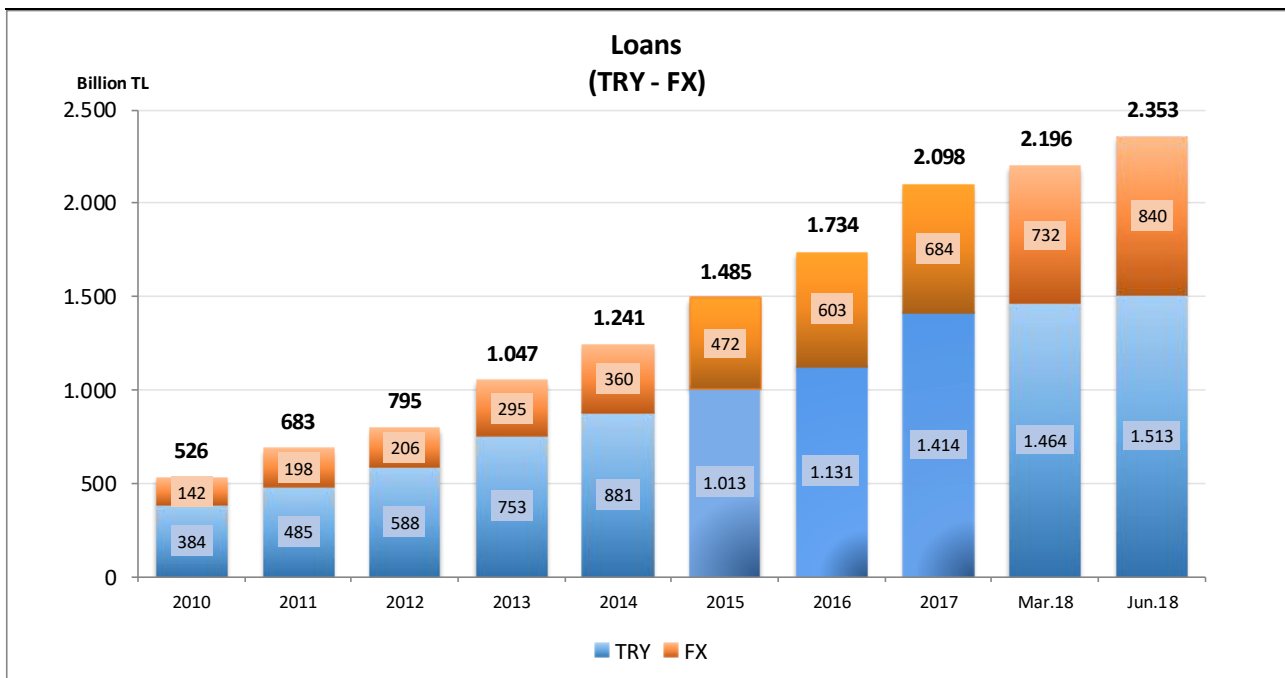


ROE of Turkish banking sector realized lower in public, higher foreign and domestic private banks group when compared to the same period of the previous year.

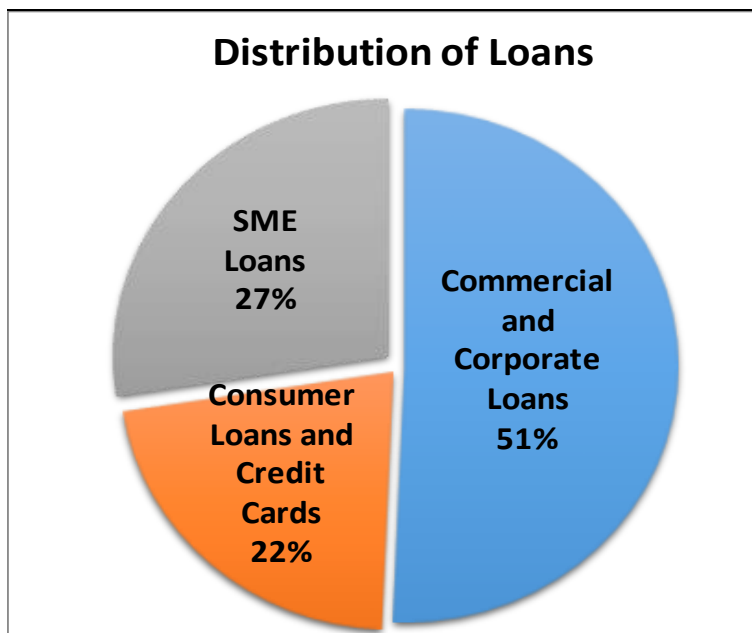


ROA of Turkish banking sector as of June 2018 realized lower as to the same period of the previous year.

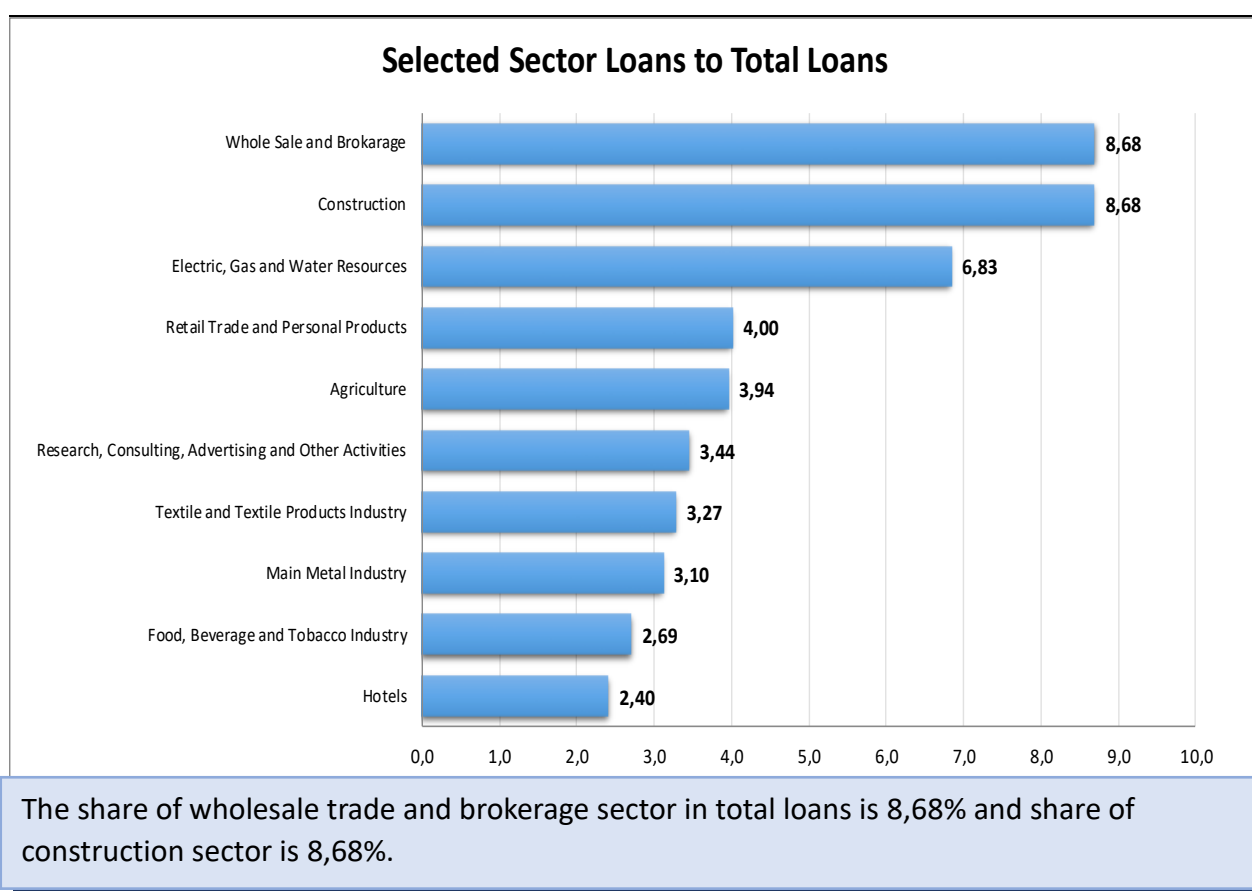
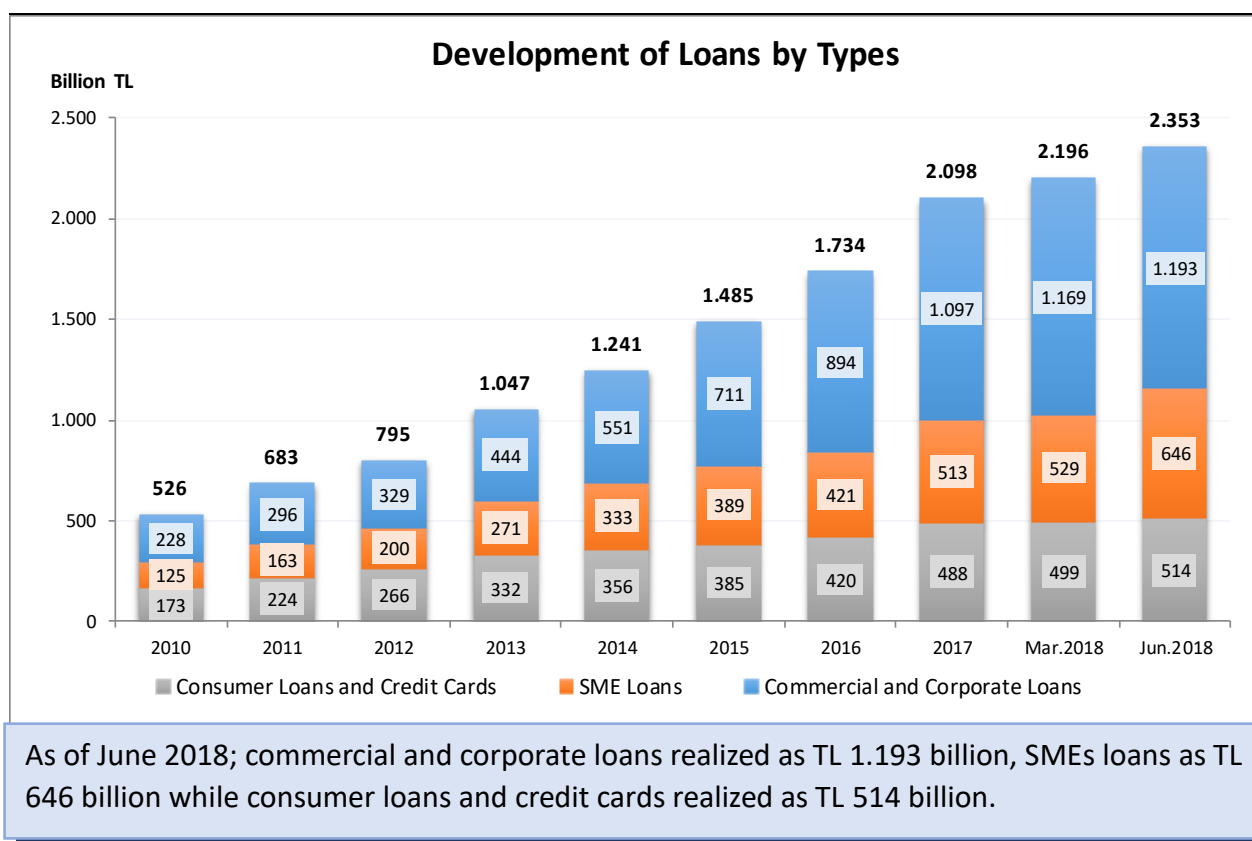
LOANS

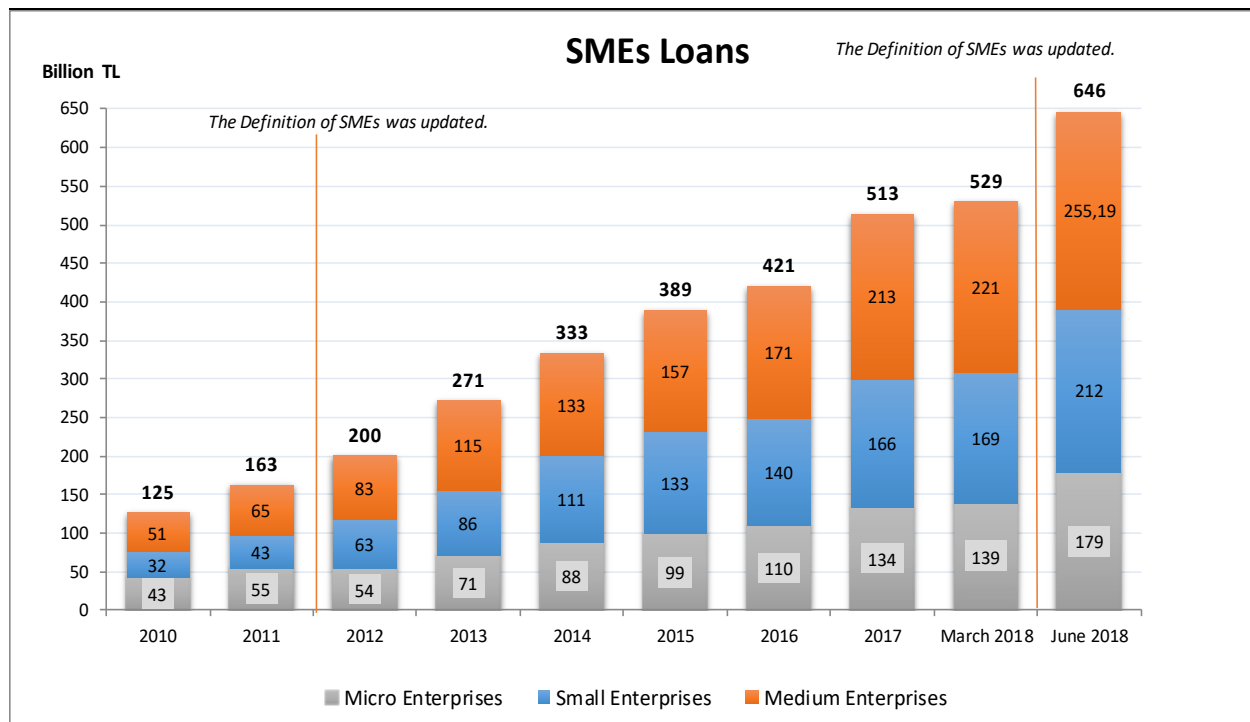


As of June 2018, total loans amount to TL 2.353 billion and TL 1.513 billion of the mentioned amount is comprised of TL loans while TL 840 billion is comprised of FX loans.

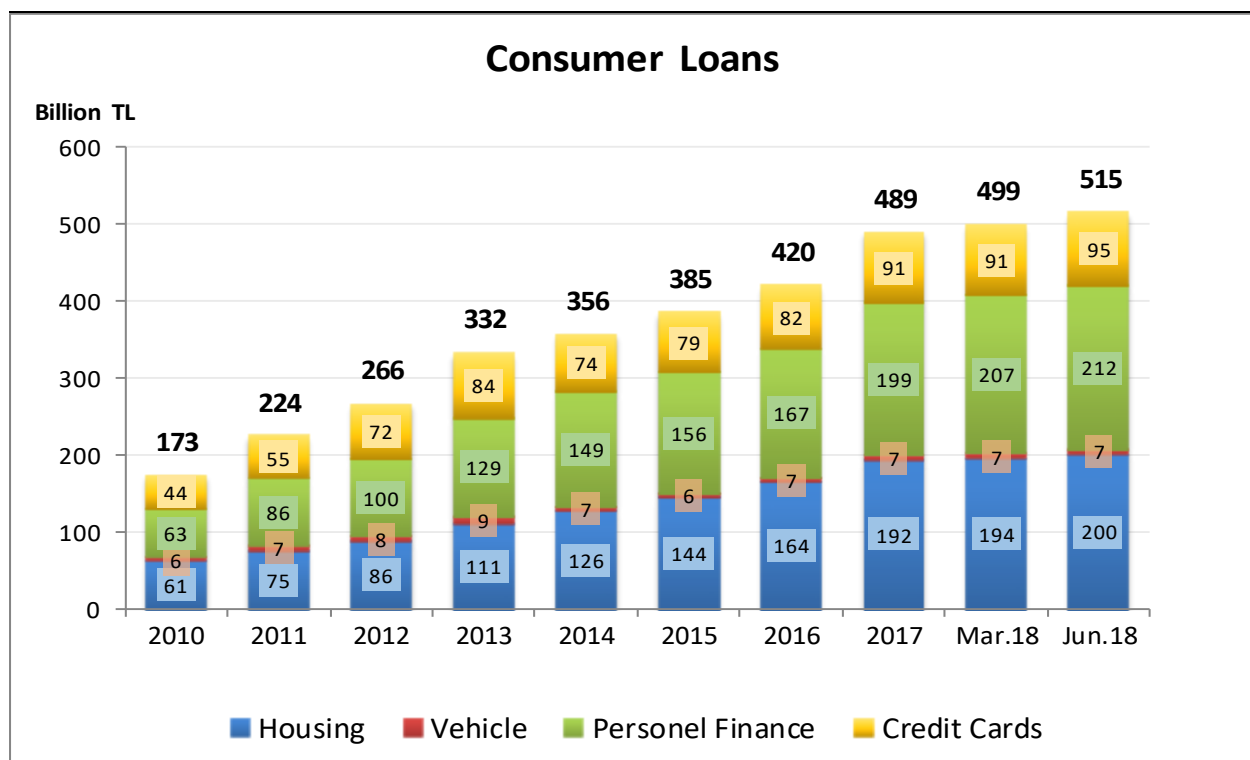


Share of commercial and corporate loans is 51%, share of SMEs loans is 27% and share of consumer loans (including credit cards) is 22% in total loans.

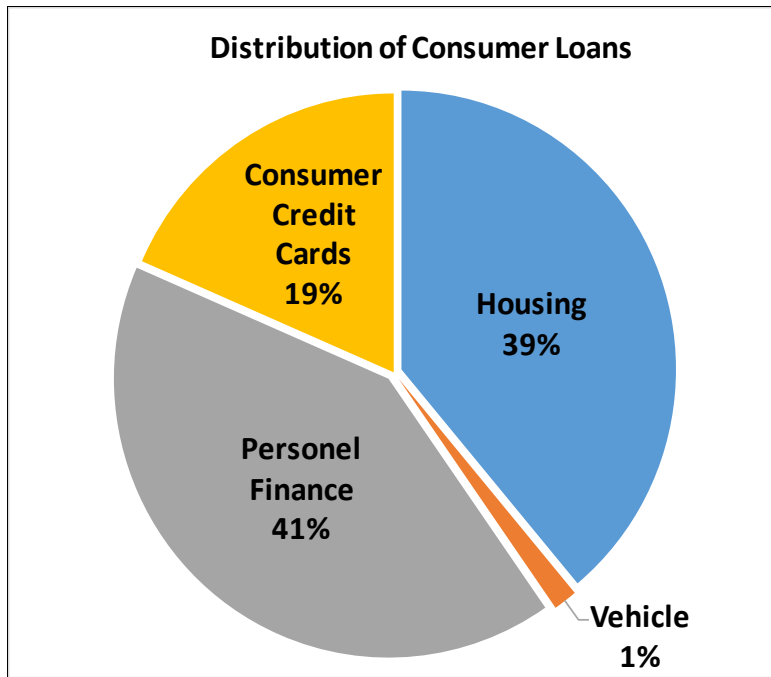




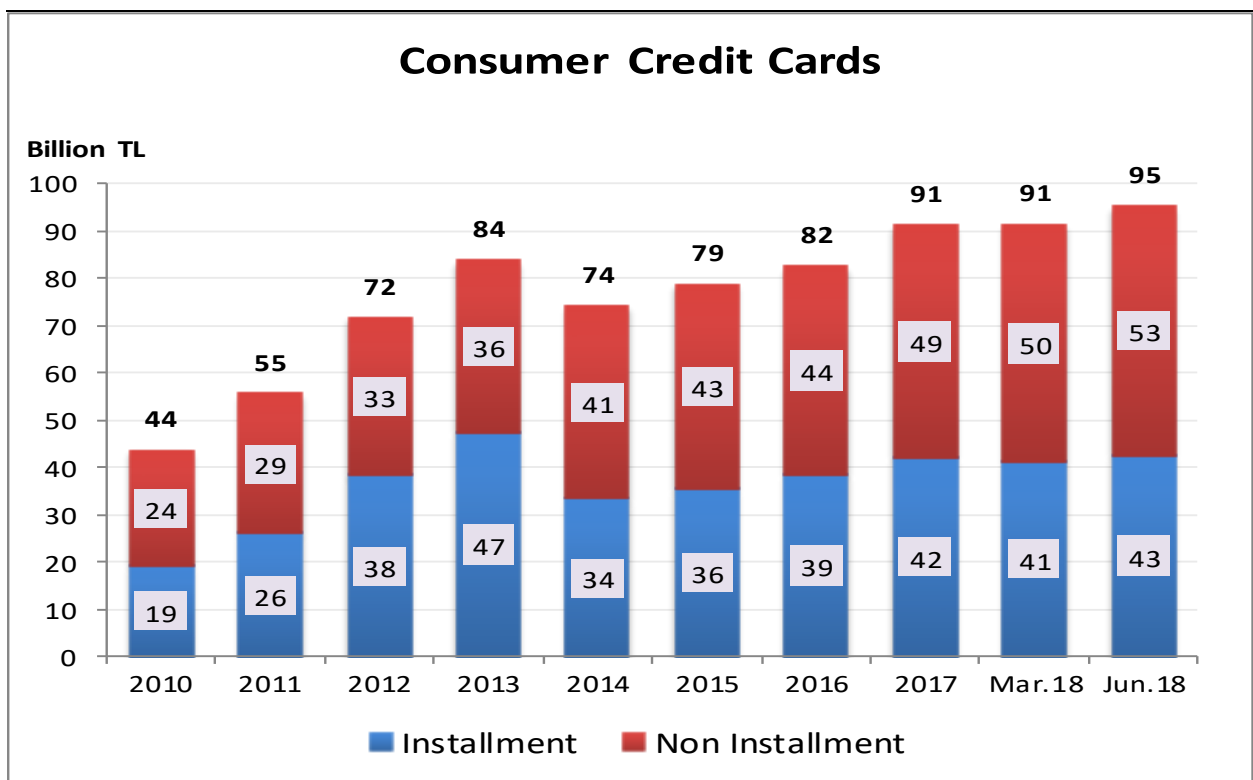
According to operating classes, SMEs loans increased when compared to the previous quarter.



In June 2018 period, consumer loans increased as to the previous quarter and realized as TL 515 billion. Housing loans, credit cards as well as personal finance loans realized as TL 200 billion, TL 95 billion and TL 212 billion, respectively.

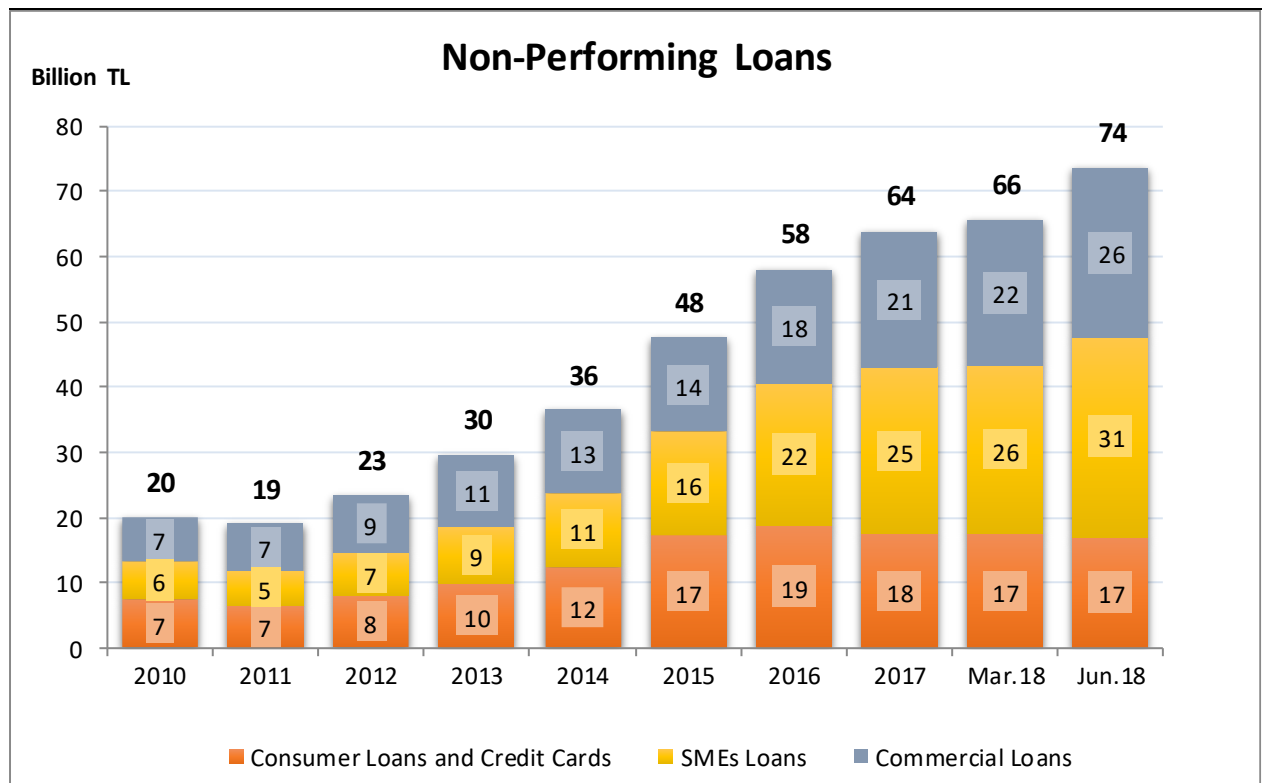


In consumer loans, the share of personal finance loans is 41%, housing loans 39% and share of credit cards is 18%.

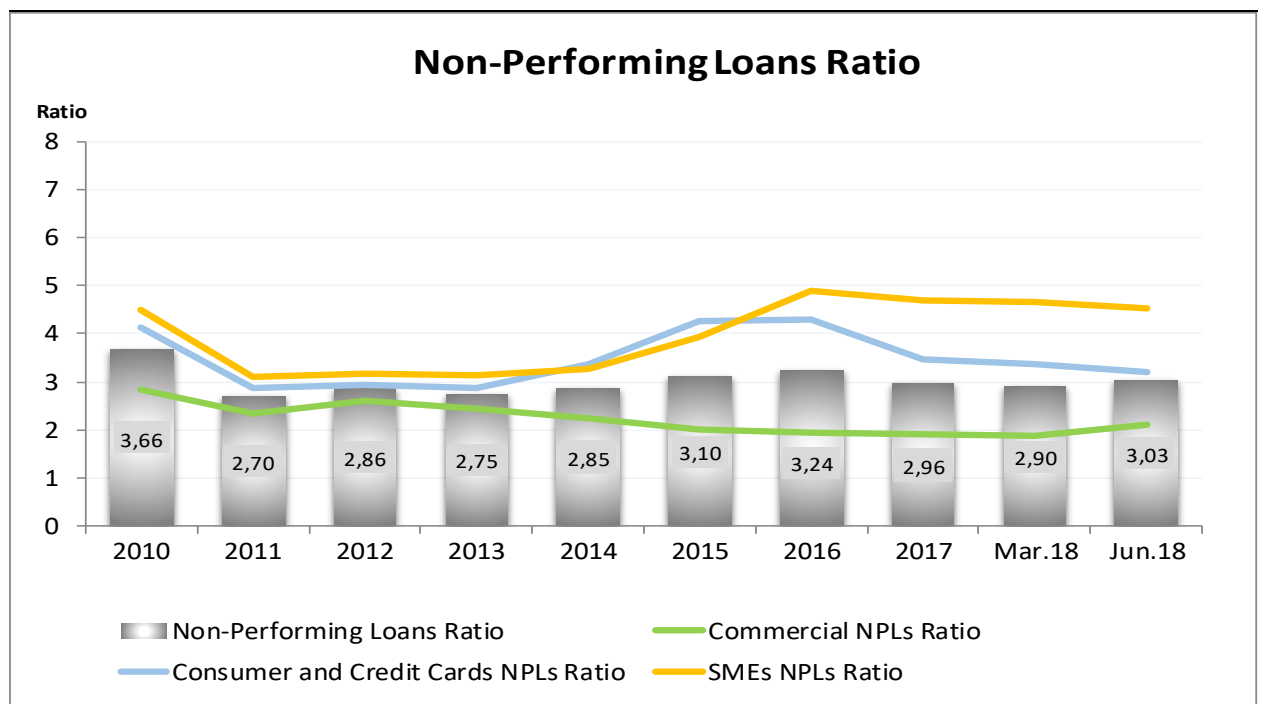


Personal credit cards amount is the same when compared to the previous period and realized as TL 95 billion in June 2018.

Non-performing Loans

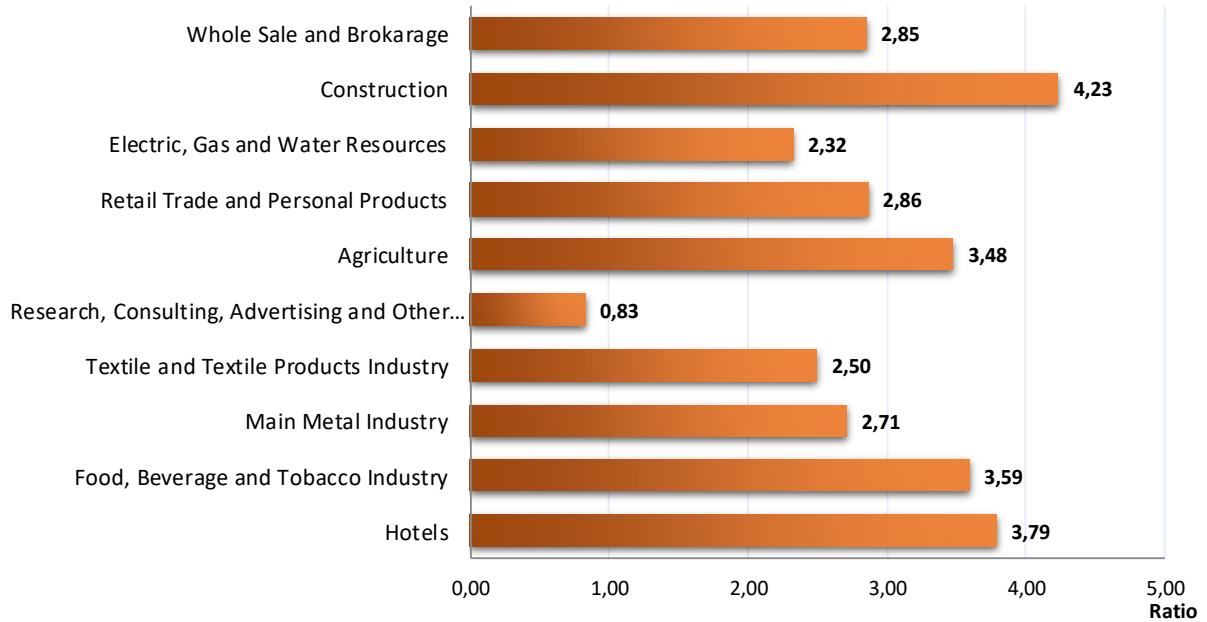


As of June 2018, gross amount of NPLs is TL 74 billion.



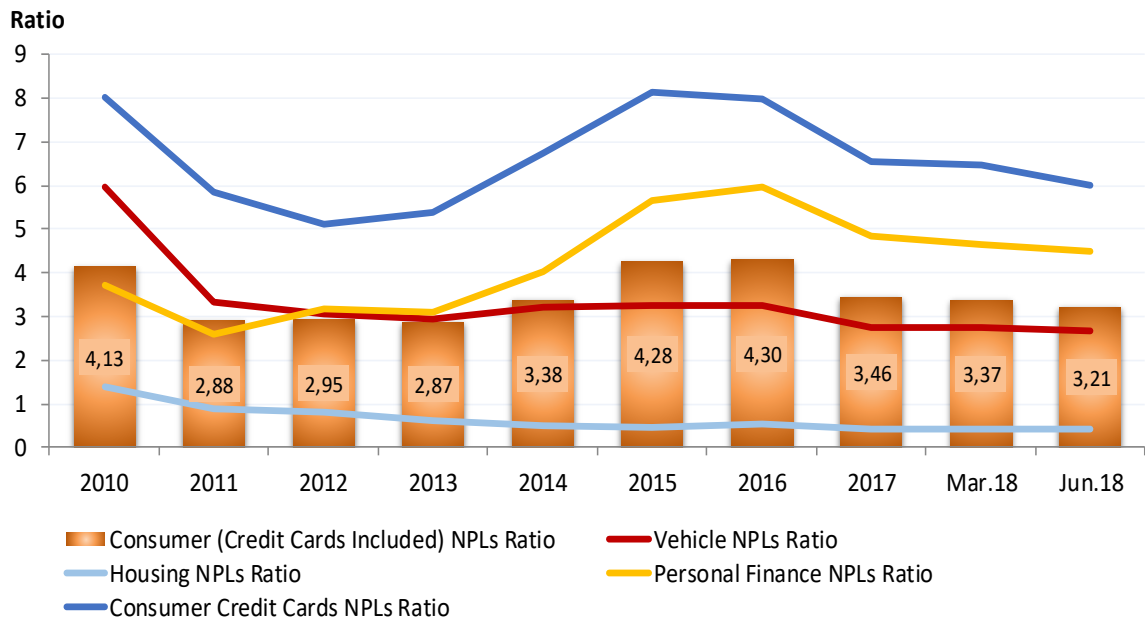
NPLs to Loans ratio in banking sector realized as 3,03% in June 2018.

Selected Sectors NPLs Ratios



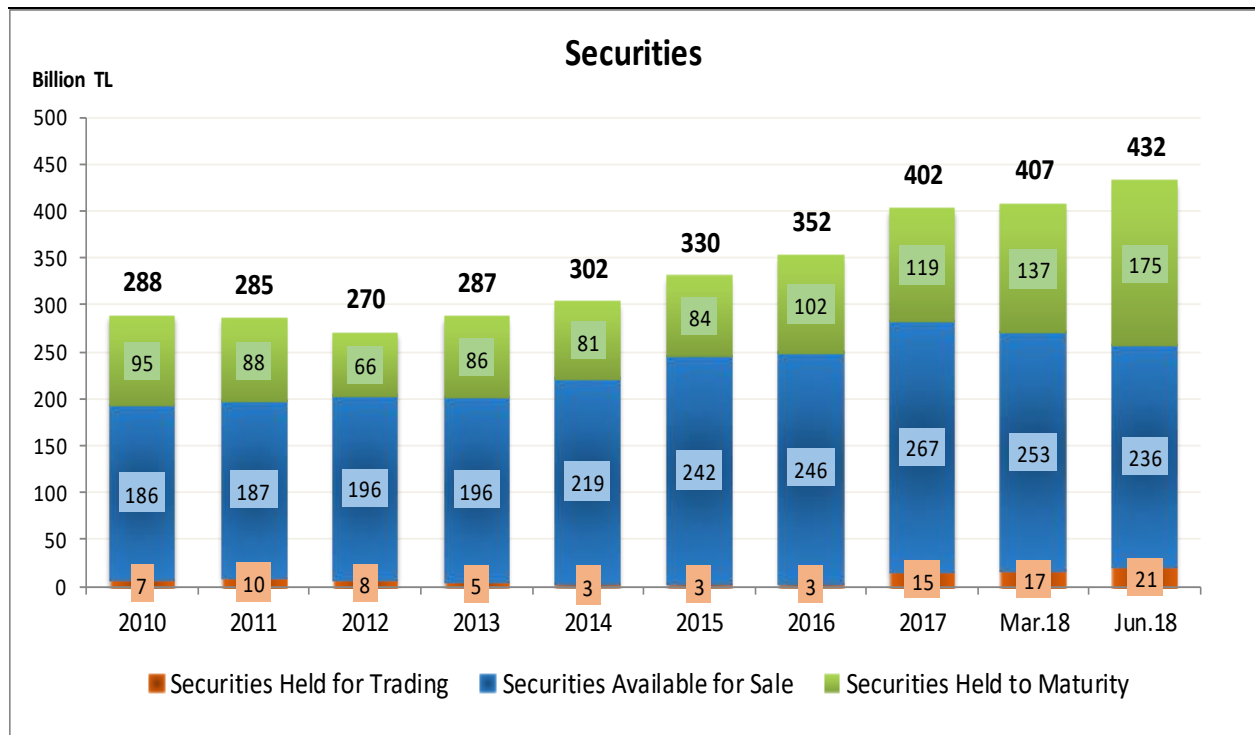
NPLs to Loans ratio in sectoral loans realized as 2,85% in wholesale trade and brokerage, 4,23% in construction sector and 2,86% in retail trade and personal products sector.

Consumer NPLs Ratios

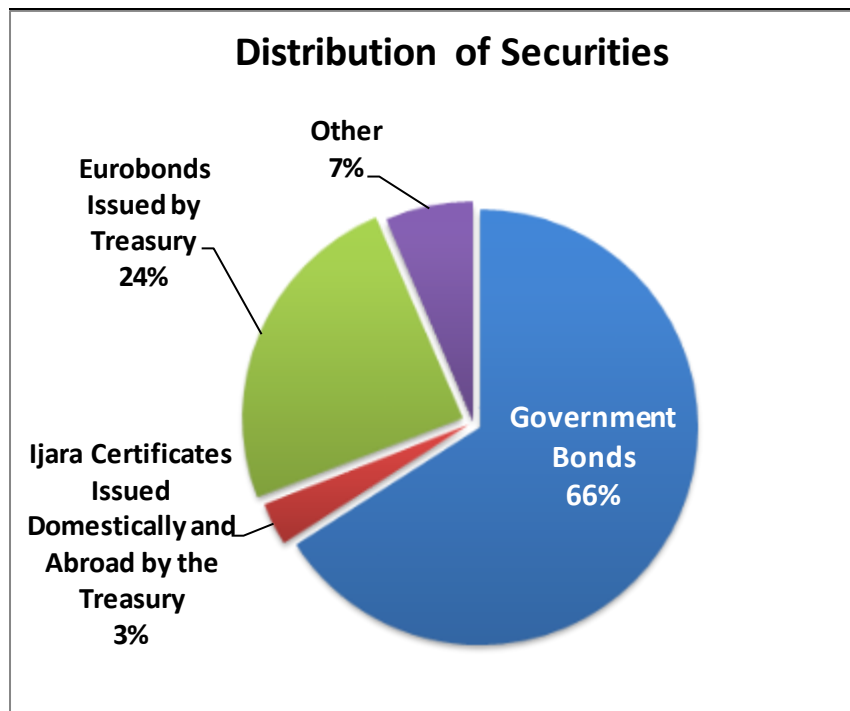


NPLs to Loans ratio of consumer loans (including personal credit cards) realized as 3,21% in June 2018 period.

Securities

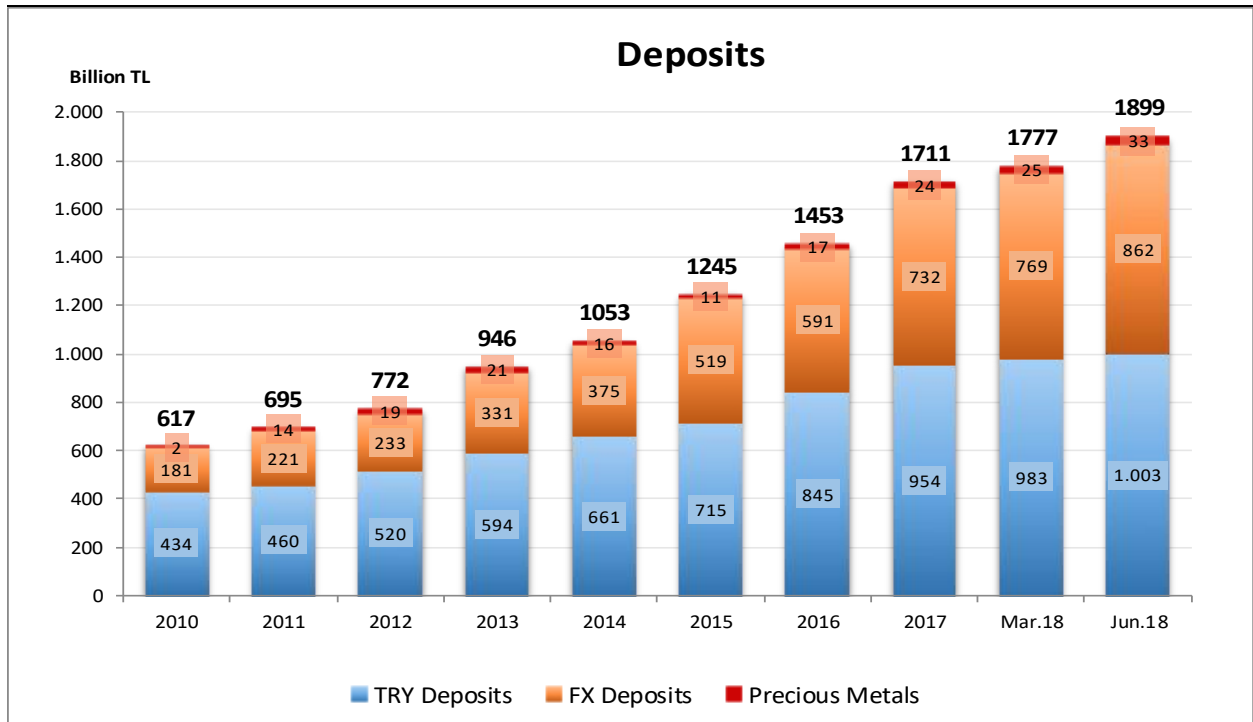


Total securities increased when compared to the previous quarter and realized as TL 432 billion.

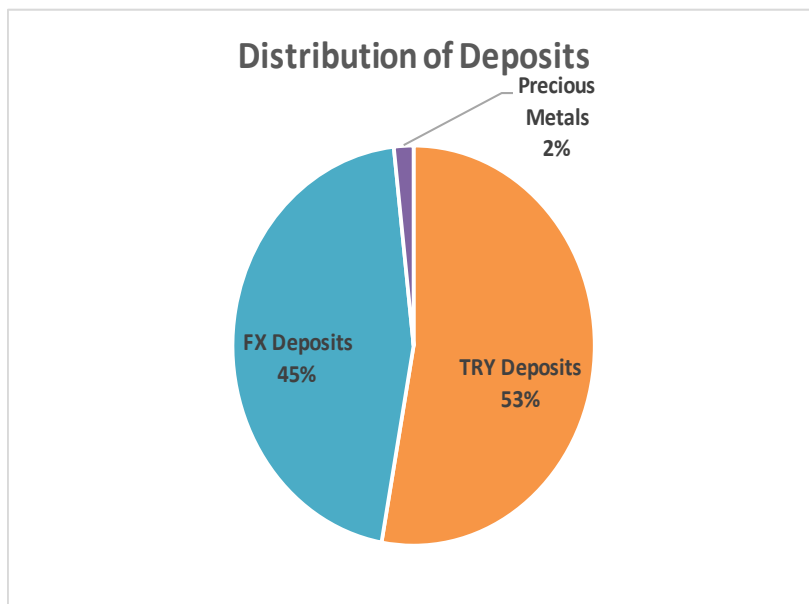


66% of securities are comprised of Government bonds, 24% are Eurobonds issued by Treasury and 3% are comprised of Ijara certificates issued domestically and abroad by the treasury (sukuk).

Deposits

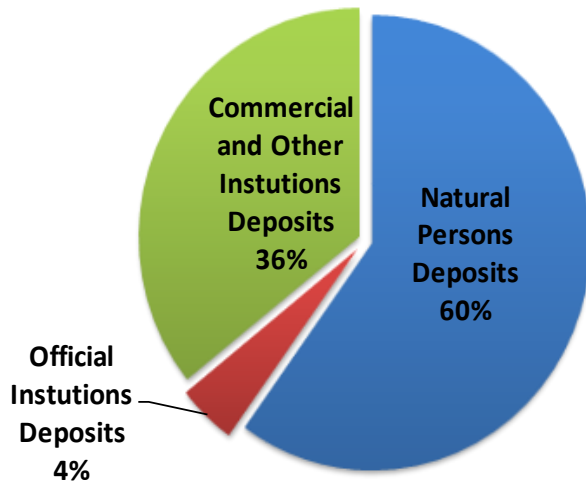


TL 1.003 billion of total deposits is comprised of TL Deposits /Participation Funds, TL 862 billion comprised of FX Deposits Account/Participation Funds and TL 33 billion is comprised of precious metals accounts.



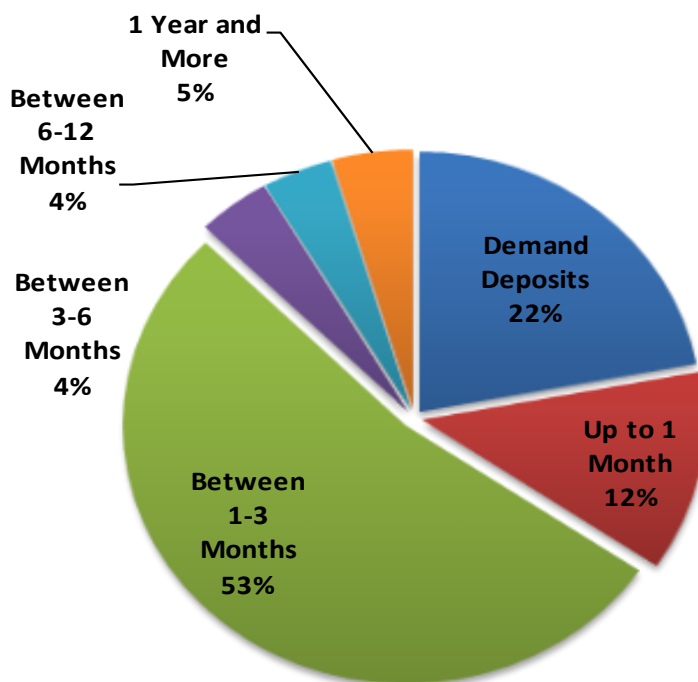
55% of total Deposits are TRY Deposits/Participation funds, 43% of FX Deposits/Participation funds and 2% of Precious Metals.

Deposits According to Types



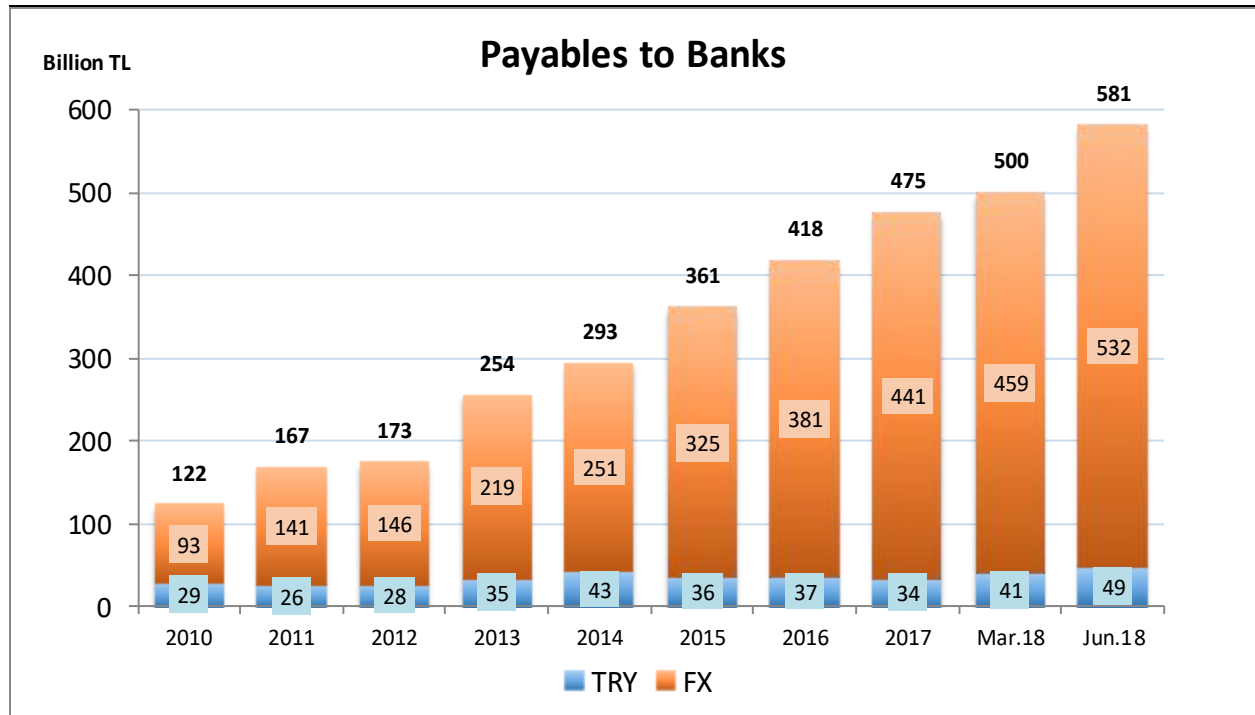
While 60% of deposits are comprised of natural person deposits, the share of commercial and other institutions deposits is 36% and share of official institutions' deposits is 4%.

Deposits According to Maturity(%)

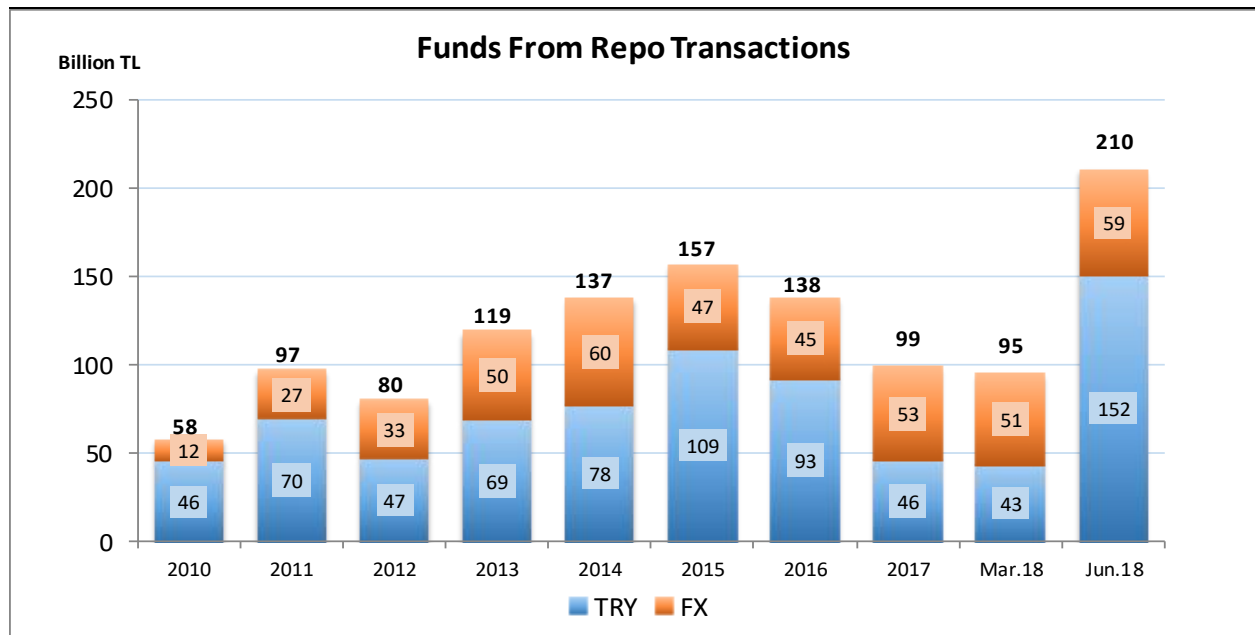


The share of demand deposits in total deposits by their opening maturities is 22% and share of 1-3 month deposits is 53%.

Payables to Banks and Repo Transactions

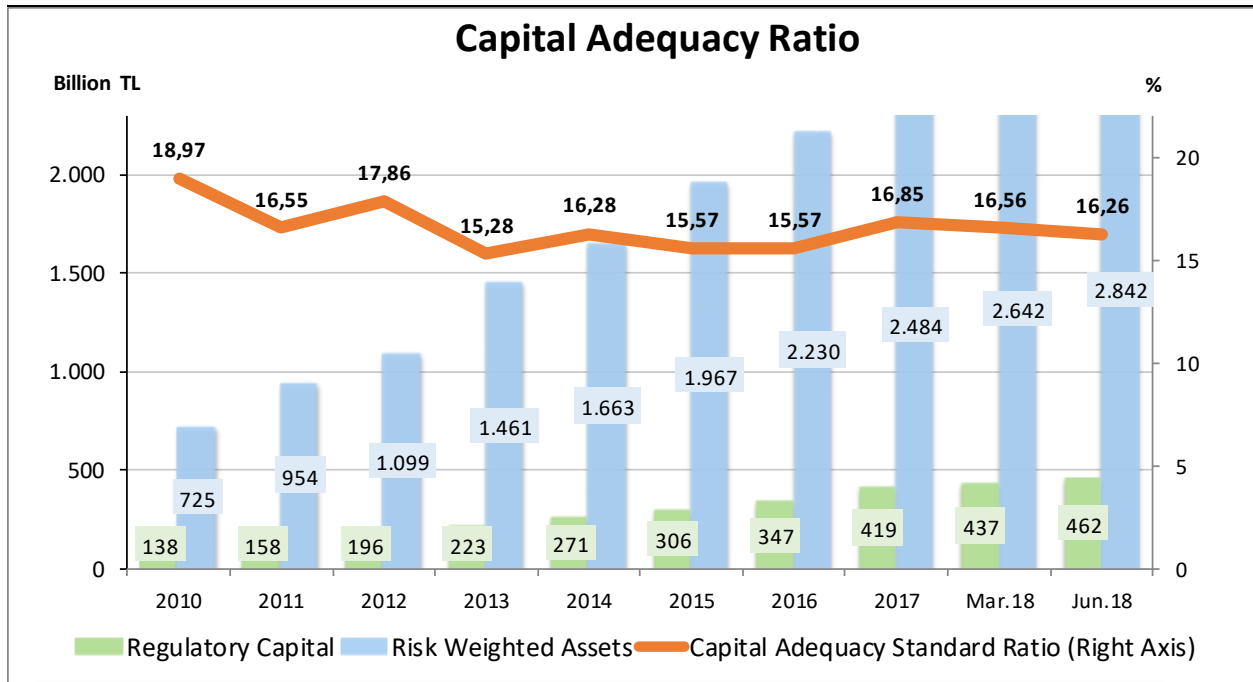


Payables to banks amount to a total of TL 581 billion as TL 91 billion Turkish Lira and TL 532 billion FX.

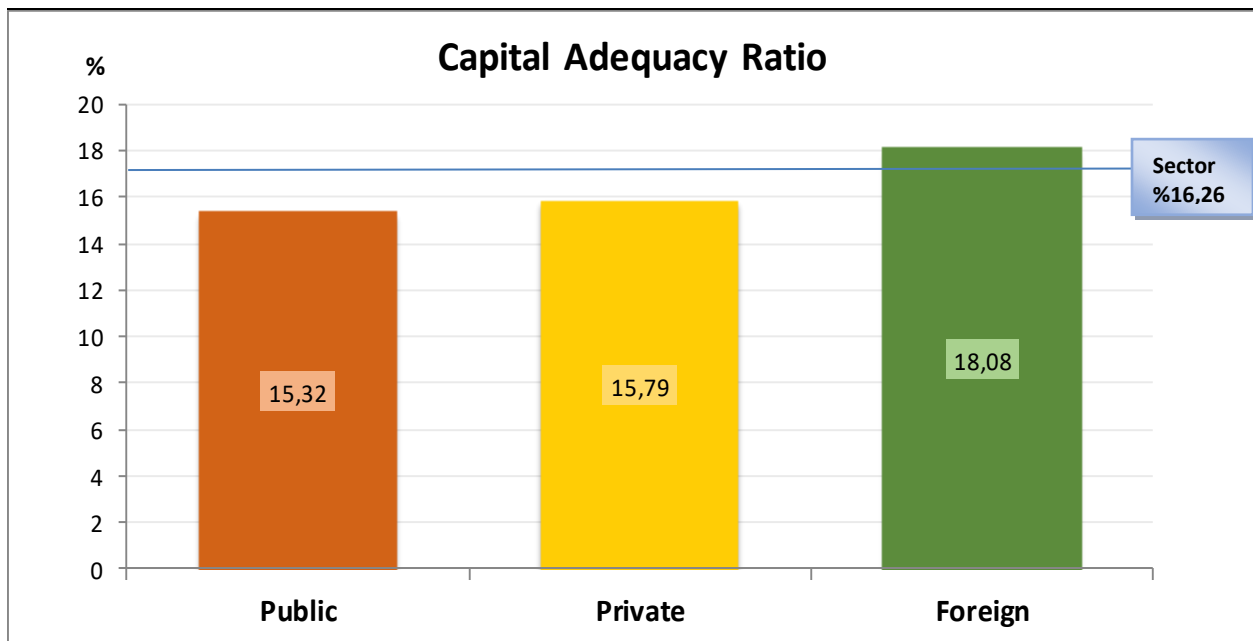


Fund amount from Repo transactions increased when compared to the previous quarter and realized as TL 210 billion in June 2018.

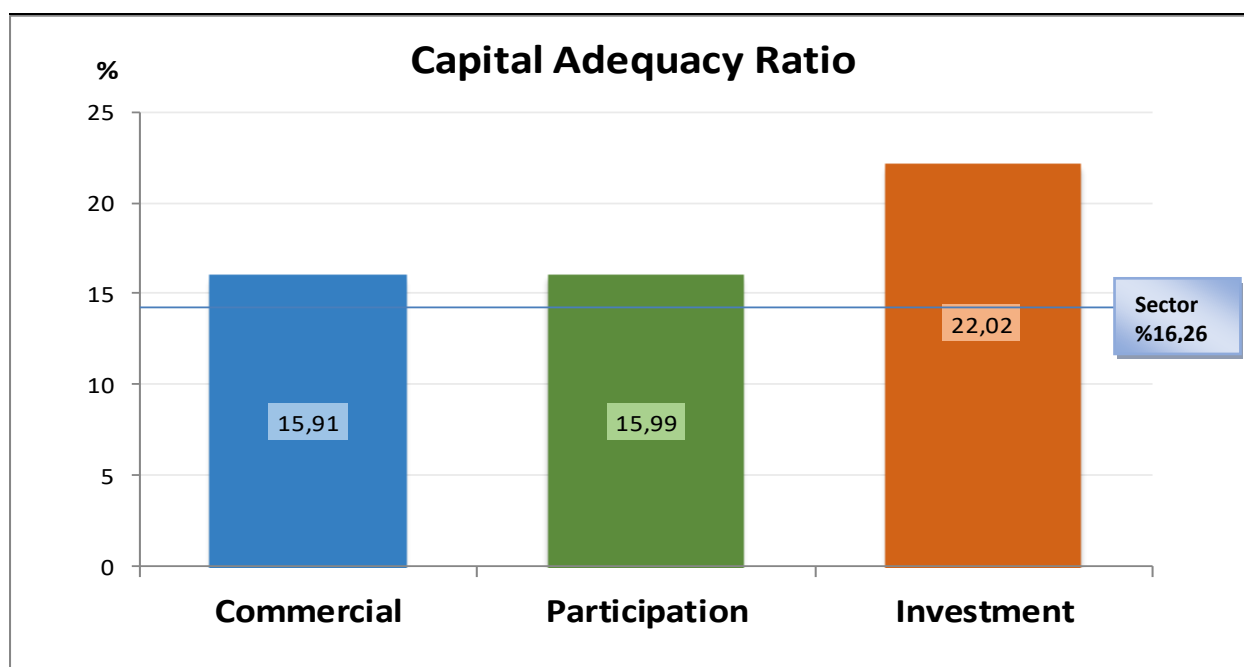
Capital Adequacy



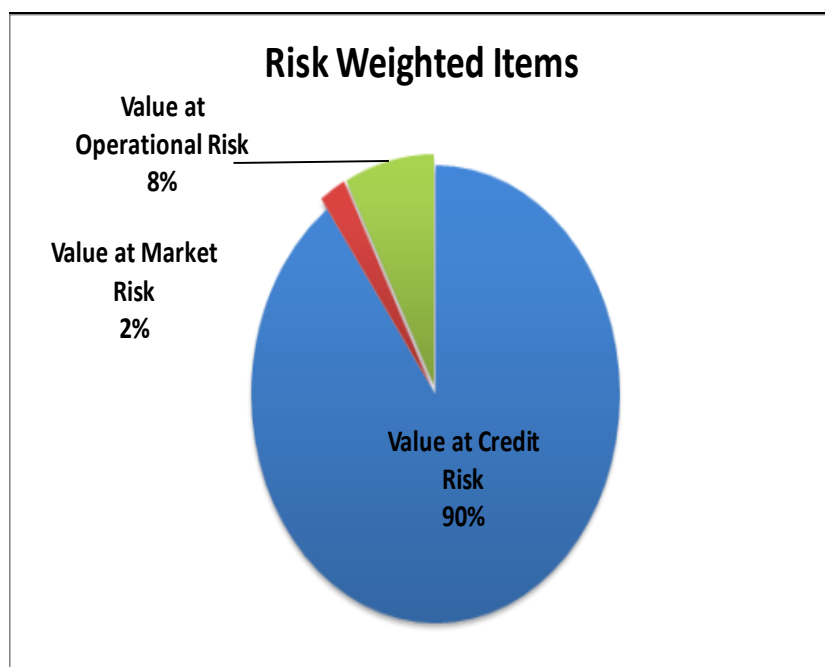
Capital adequacy ratio of Turkish Banking Sector realized as 16,26 % in June 2018.



By bank ownership groups, capital adequacy of foreign banks is above the sector average by 18,08 %.



By function groups, capital adequacy ratio realized as 15,91%, 15,99% and 22,02% for deposits banks, participation banks as well as development and investment banks, respectively.



In capital adequacy calculation, 90% of risk-weighted assets is comprised of amount subject to credit risk, 8% comprised of amount subject to operational risk and 2% comprised of amount subject to market risk.

EXPLANATIONS

- In Turkish Banking Sector Main Financial Data publication prepared by the Banking Regulation and Supervision Agency (BRSA), statistical information on selected financial statements of banks are prepared by using non-consolidated temporary financial statements.
- Gross Domestic Product (GDP) is the data on current prices published by Turkish Statistical Institute.
- Resource of the information published is the periodical reports taken via Bank Reporting System and sent by banks on electronic media. Mentioned periodic information may change after its publication due to the updates made by various reasons.
- Monetary amounts published, unless stated otherwise, is “TL Billion” and there may be differences in some sub-groups arising from arithmetic sum and rounding.
- Detailed data by sector, bank groups and function groups can be accessed from Turkish Banking Sector Interactive Monthly Bulletin application.
- Data and explanations on the scope of data in Interactive Monthly Bulletin are also valid for the data included in this publication.

Department of Data and System Management

Banking Regulation and Supervision Agency

June 2018



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