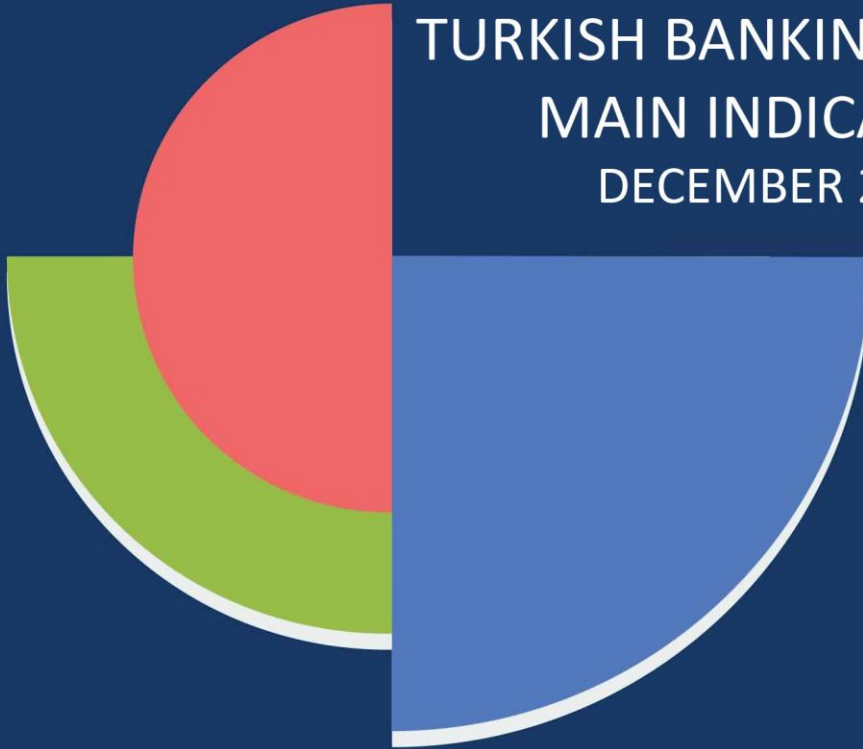




**BANKING
REGULATION AND SUPERVISION
AGENCY OF TURKEY**

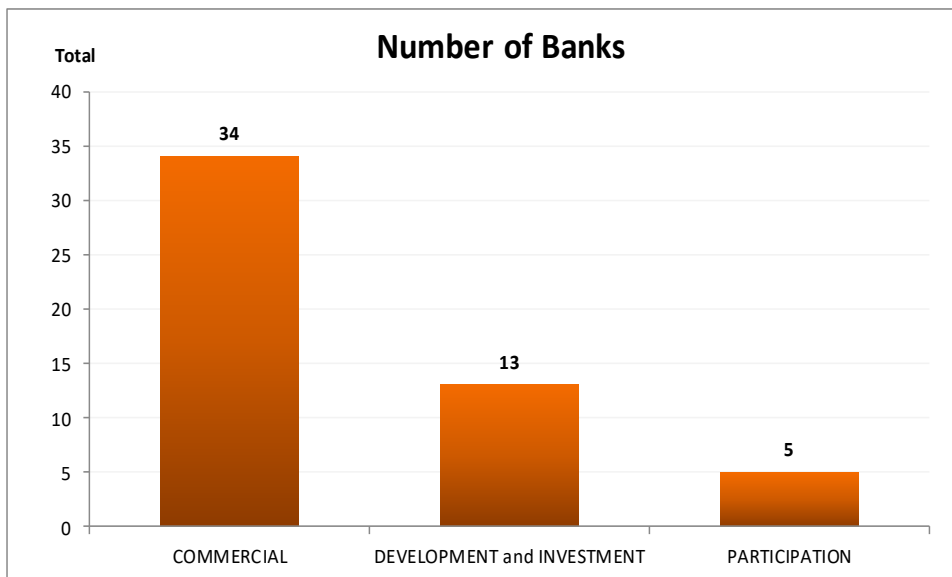


**TURKISH BANKING SECTOR
MAIN INDICATORS
DECEMBER 2018**

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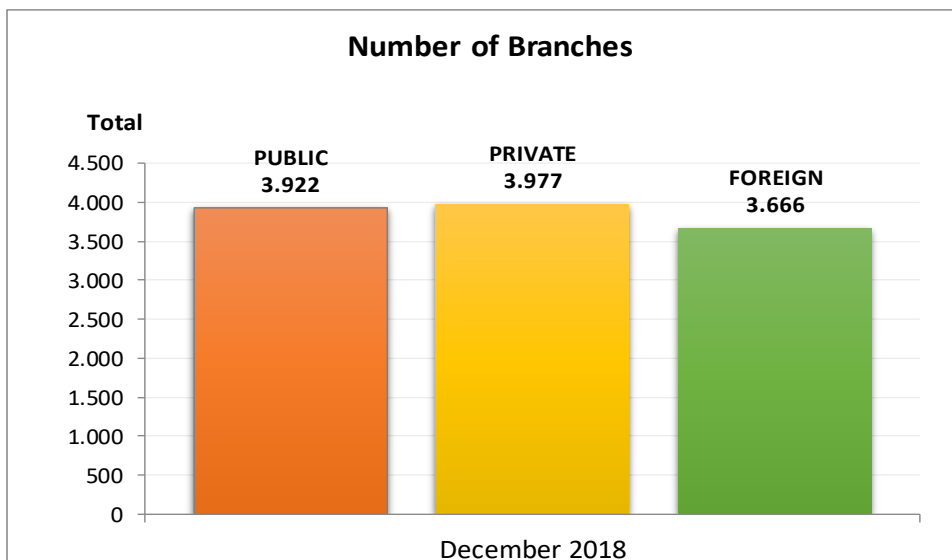
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Number of Banks, Branches and Personnel

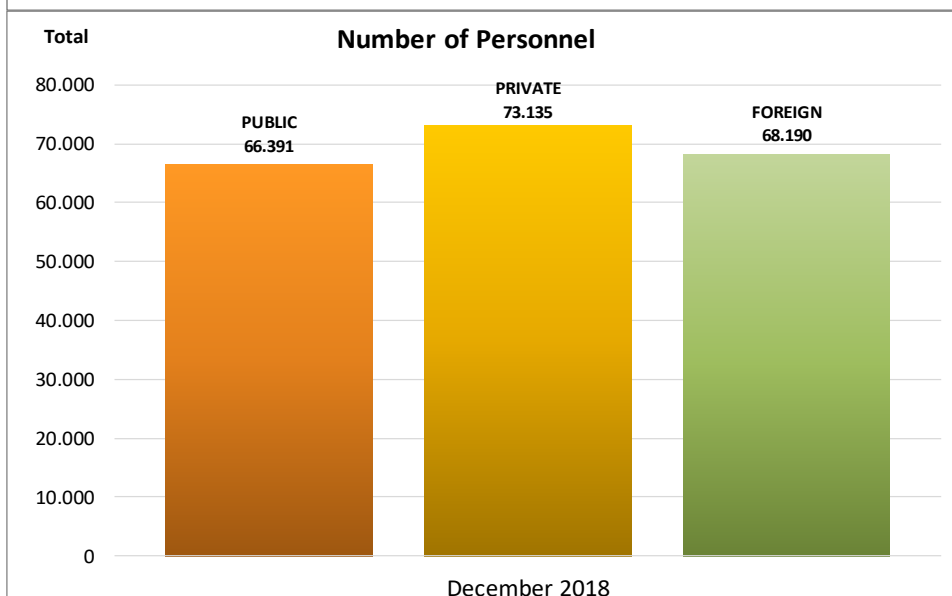


As of December 2018, there are 52 banks operating in Turkish Banking Sector as;

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



Number of branches and personnel in banking sector decreased by 29 and 913, respectively when compared to the previous quarter (September 2018).



As of December 2018 period, number of branches realized as 11.565 while number of personnel realized as 207.716.

Selected Balance Sheet Items

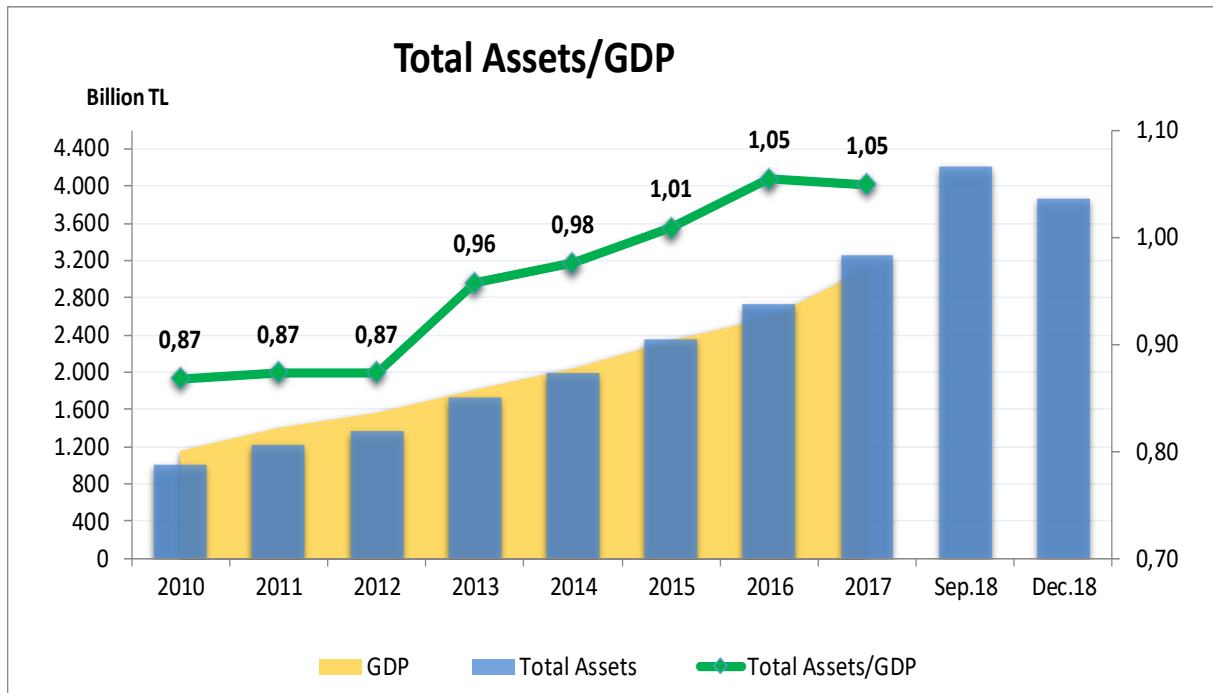
ASSETS	Total (Billion TL)	Changes (%)	
		Previous Quarter	Previous End of Year
CASH and CASH EQUIVALENTS*	412	-14,4	57,6
REQUIRED RESERVES	159	-5,1	-30,0
LOANS	2.395	-7,5	14,1
NON-PERFORMING LOANS (GROSS)	97	12,1	51,0
SECURITIES	478	-2,4	19,0
OTHER ASSETS	424	-12,4	57,2
TOTAL ASSETS	3.867	-8,1	18,7
LIABILITIES			
DEPOSITS	2.036	-4,7	19,0
DUE TO BANKS	563	-18,0	18,4
FUNDS FROM REPO TRANSACTIONS	97	-33,2	-2,4
SECURITIES ISSUED	174	-15,0	19,6
EQUITIES	421	3,2	17,4
OTHER LIABILITIES	577	-8,5	23,0
TOTAL LIABILITIES	3.867	-8,1	18,7

* Sum of Cash, Receivables from Central Bank, Money Market, and banks items

Total assets of Turkish Banking Sector increased by 18,7% to TL 3.867 billion in December 2018 when compared to the previous year-end.

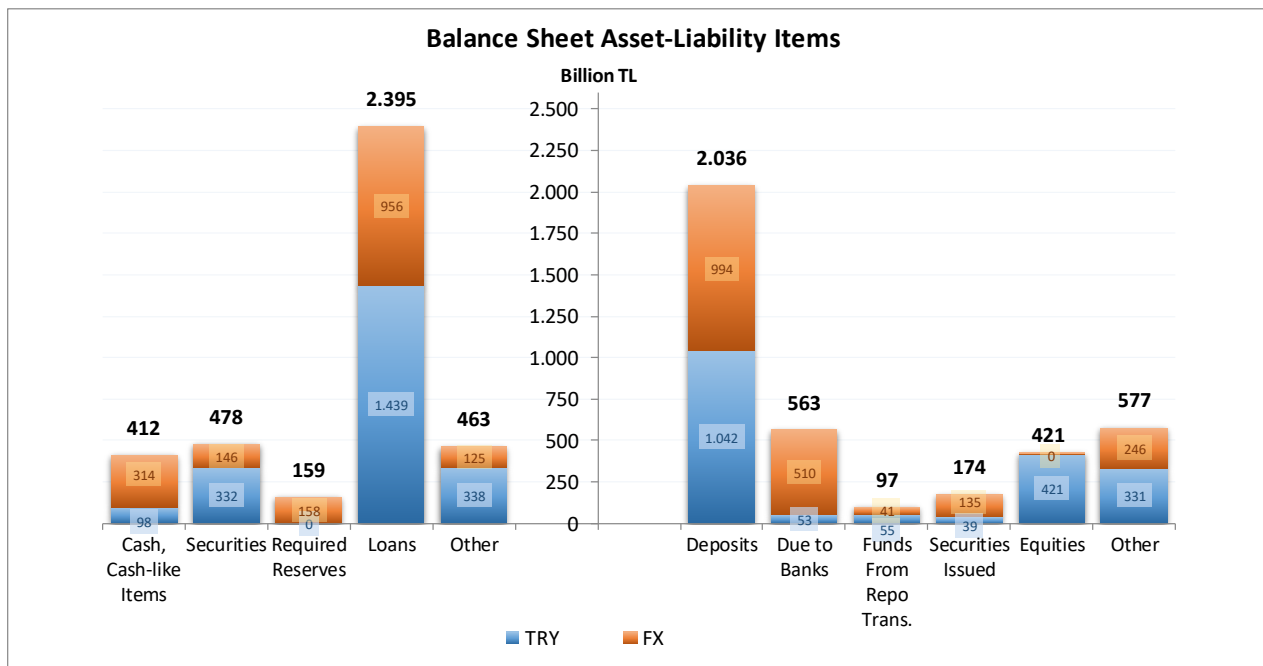
OFF-BALANCE SHEET ITEMS	Total (Billion TL)	Changes (%)	
		Previous Quarter	Previous End of Year
Contingencies	781	-12,1	18,6
Commitments	3.566	-16,5	9,8
- Derivative Financial Instruments	2.905	-17,4	14,3
- Other Commitments	660	-12,2	-6,4

Of off-balance sheet items,
 - Contingencies increased by 18,6%;
 - Derivative financial assets increased by 14,3%
 in December 2018 when compared to the previous year-end.



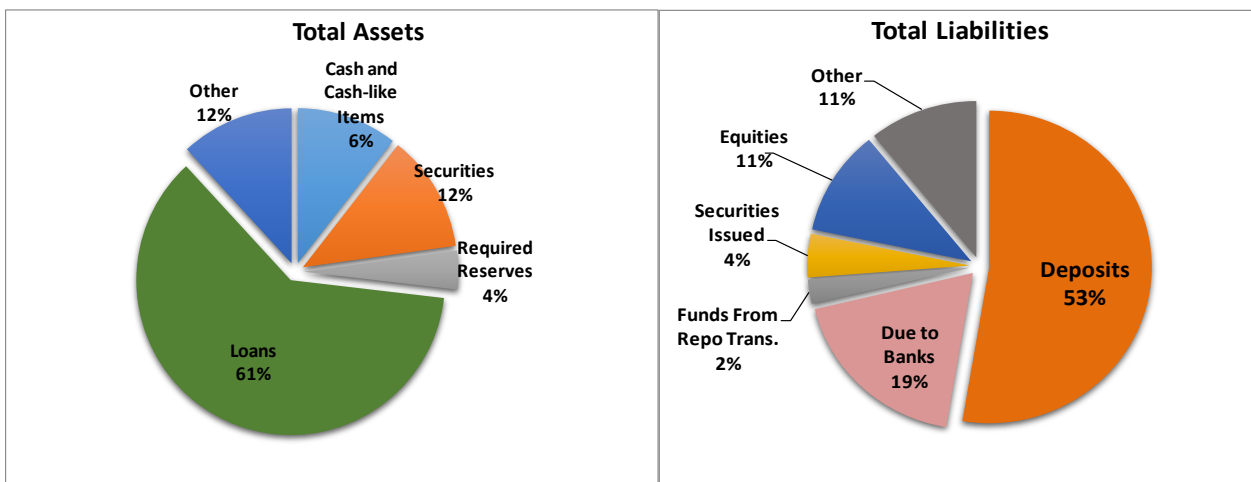
The ratio of asset size of Turkish Banking Sector to GDP realized as 1,05 as of end-2017.

Selected Balance Sheet Figures



The ratio of FX assets in balance sheet to total assets realized as 44% while the ratio of total FX liabilities to total liabilities realized as 50%.

The share of FX loans in total loans is 40% while the ratio of FX deposit to total deposit is 49%.

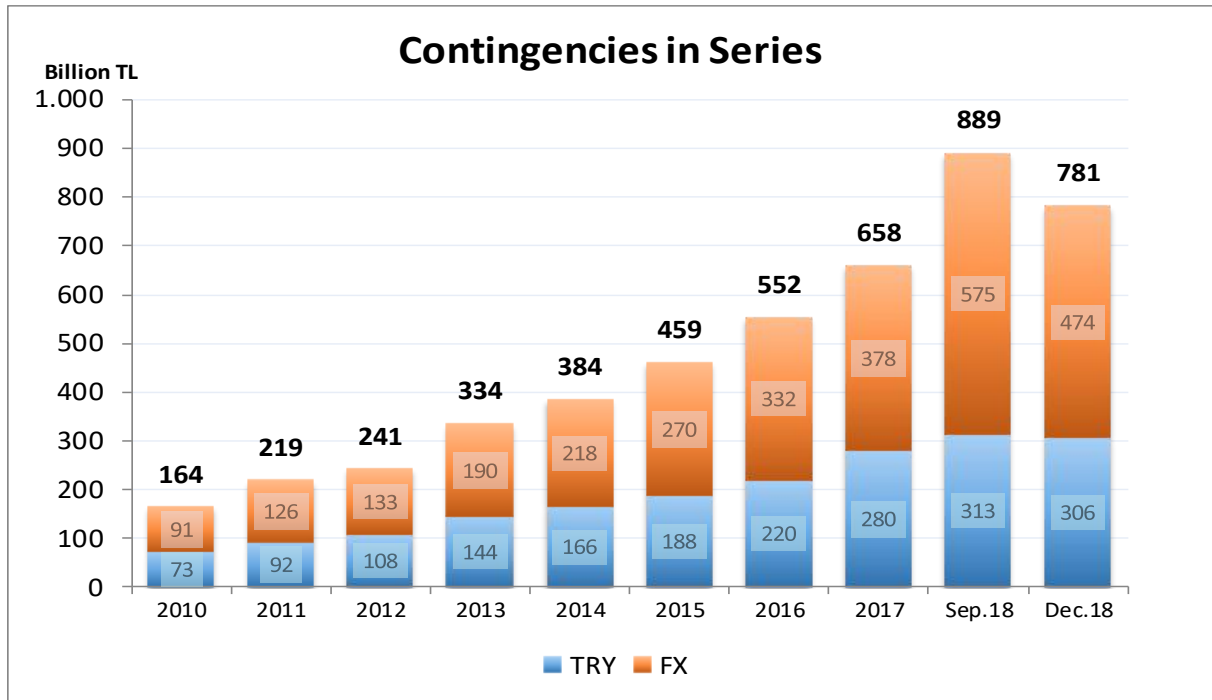


The share of loans, securities and required reserves in total assets realized as 61%, 12% and 4%, respectively.

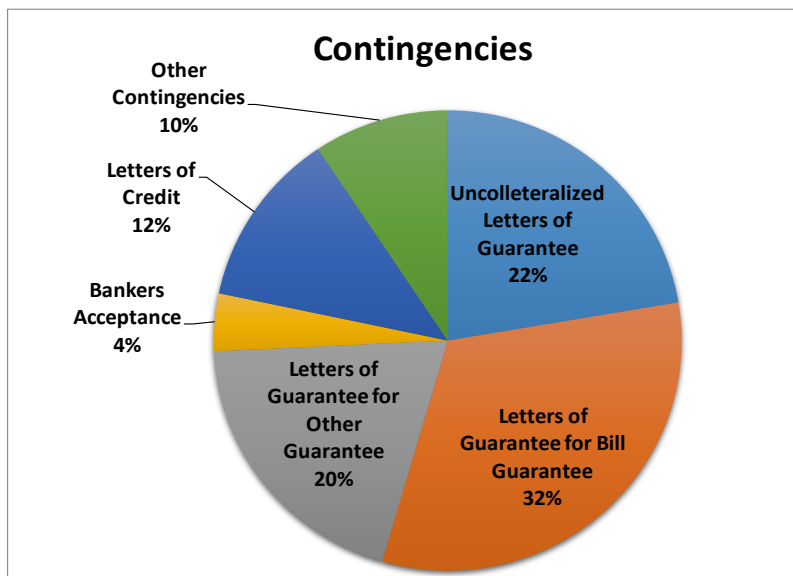
While deposit has the biggest share by 53% in total liabilities, share of payables to banks is 19% and funds from repo is 2%.

The share of equities in total liabilities is 11%.

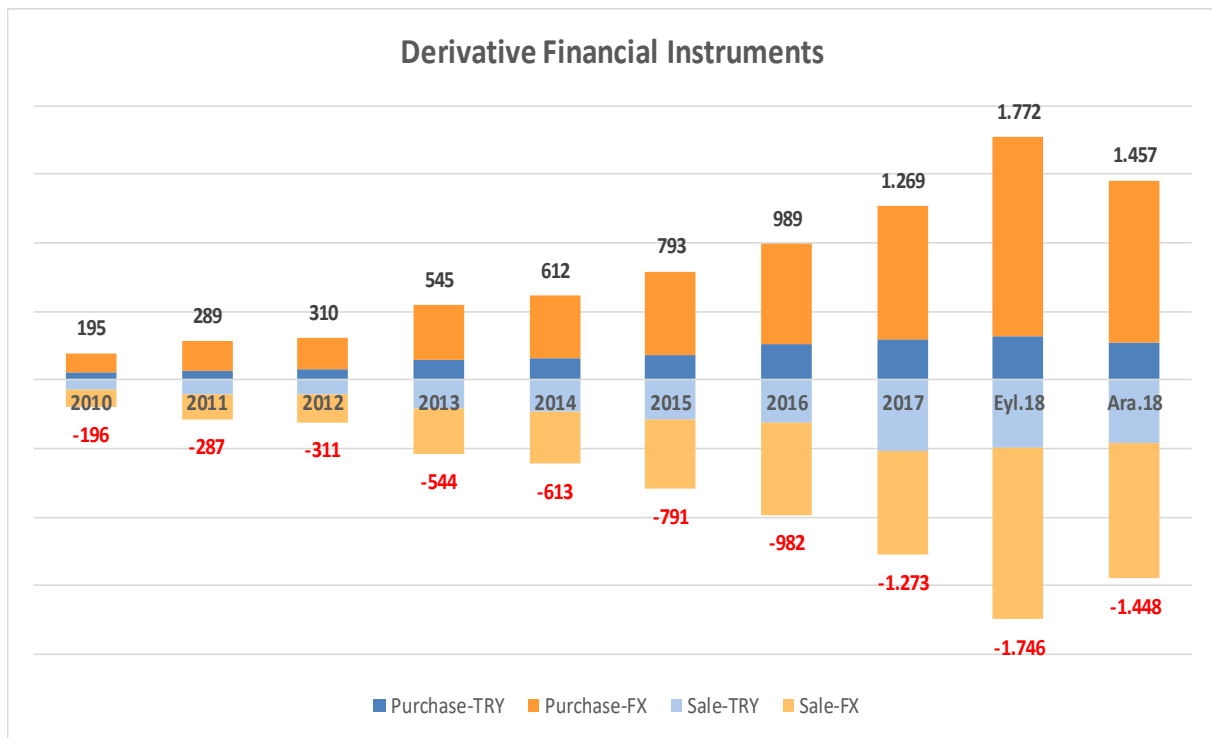
Off-Balance Sheet Figures



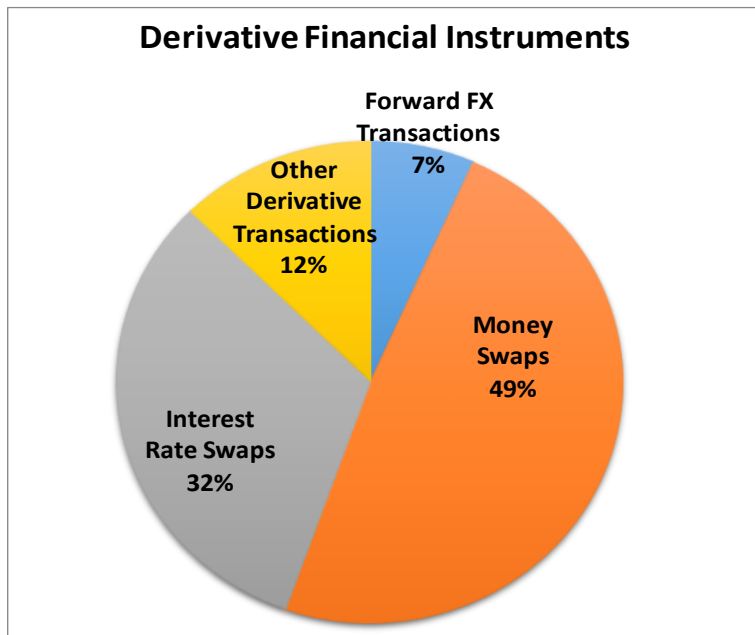
As of December 2018, size of contingencies realized as TL 781 billion.



As letters of guarantee is the biggest share in contingencies, share of letters of credit is 12%.

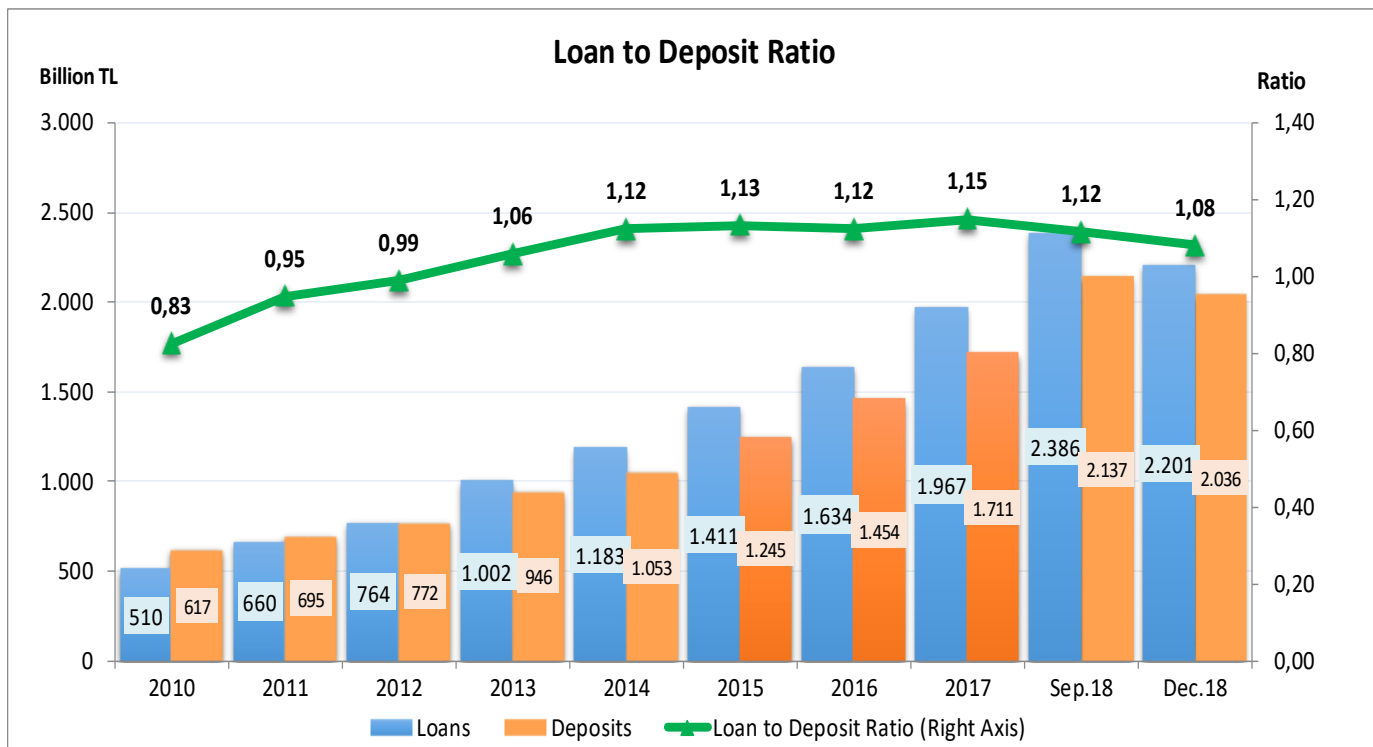


As of December 2018, derivative purchase amount realized as TL 1.457 billion and derivative sales amount realized as TL 1.448 billion.



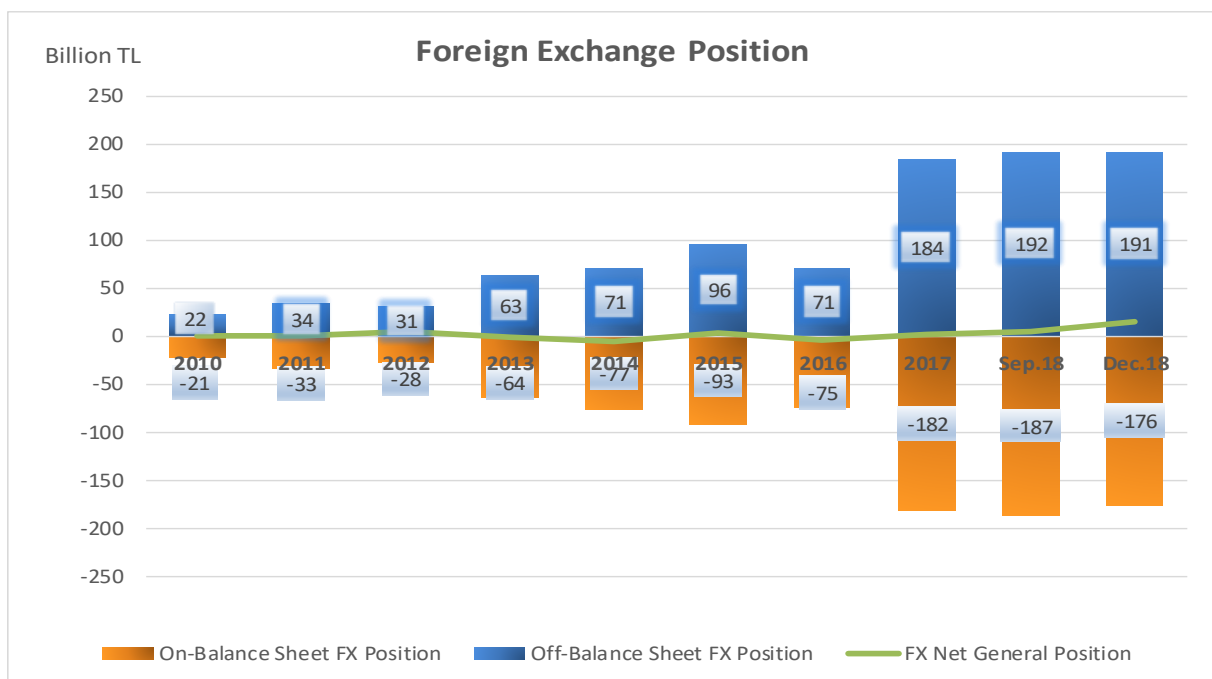
49% of derivative transactions in off-balance sheet items is from swap money transactions, 32% from swap interest rate transactions and 7% is from forward exchange transactions.

Development of Main Figures



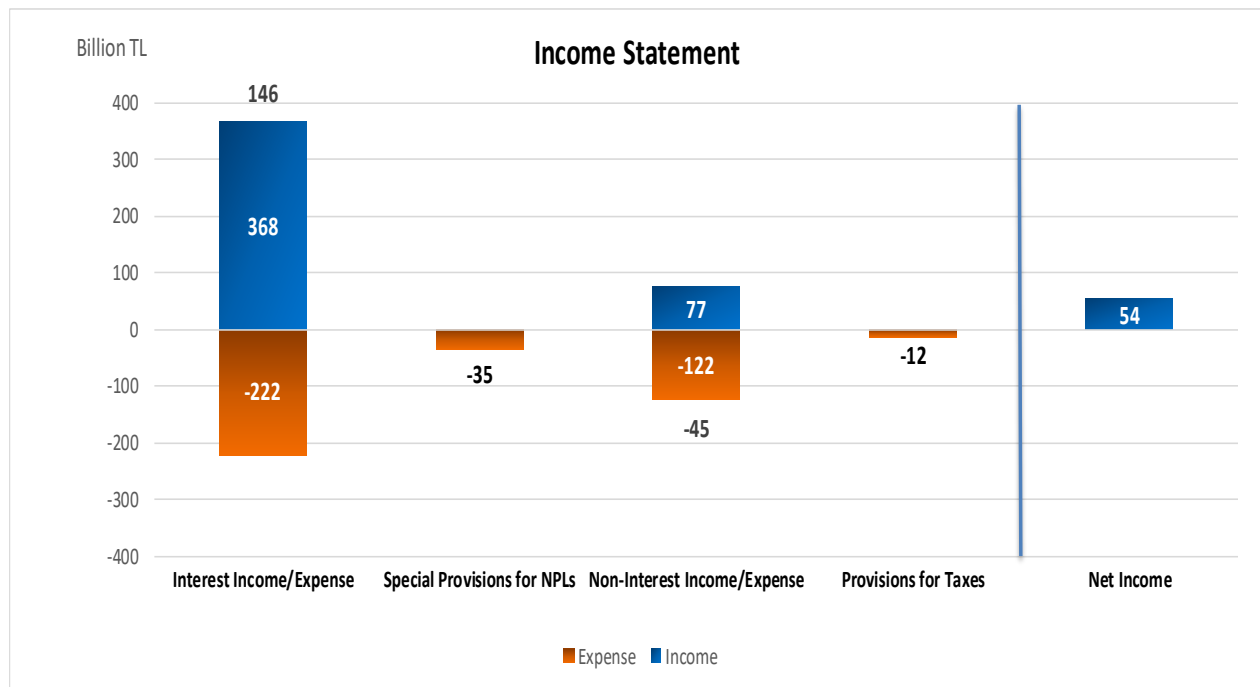
While loans in the third quarter of the year realized as TL 2.201 billion, deposit realized as TL 2.036 billion. Conversion ratio of deposit to loans is 1,08 as of December 2018.

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

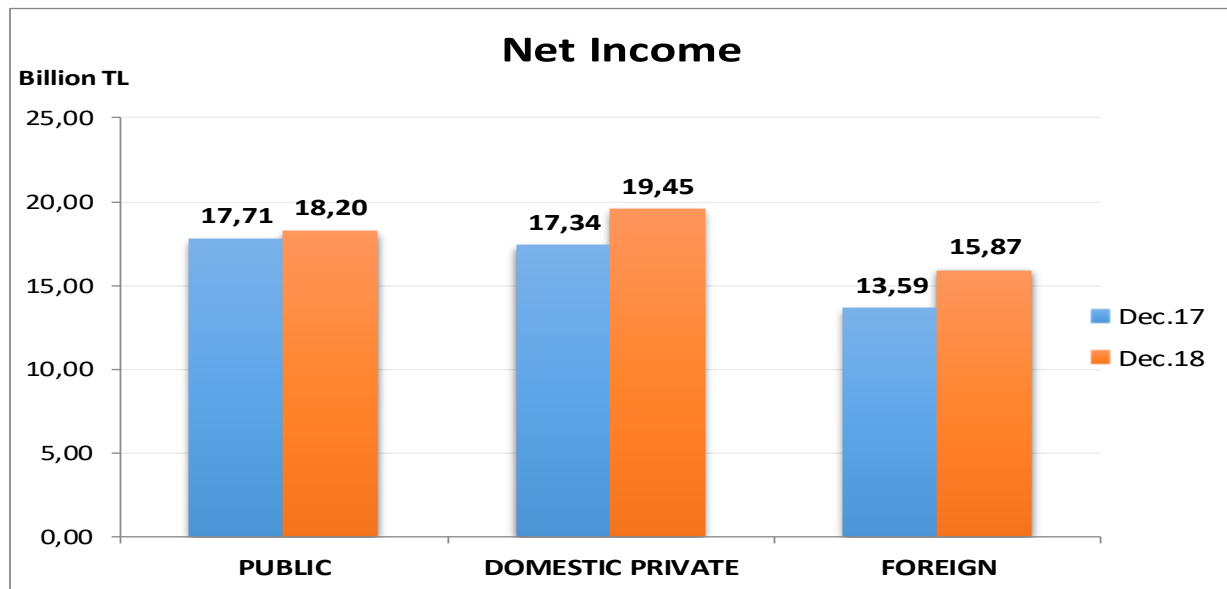


Off-balance sheet FX position has a surplus of TL 191 billion while on-balance sheet FX position has a deficit of TL 176 billion and FX Net General Position has a surplus of approximately TL 5 billion.

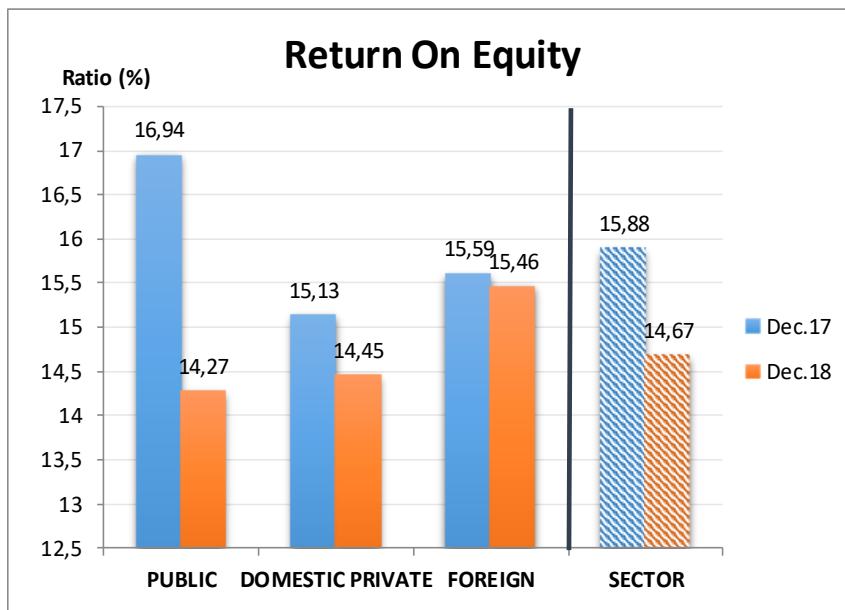
PROFITABILITY



In the income statement of banking sector, interest income realized as TL 368 billion and interest expense realized as TL 222 billion. As of December 2018, net income of Turkish Banking Sector is TL 54 billion.

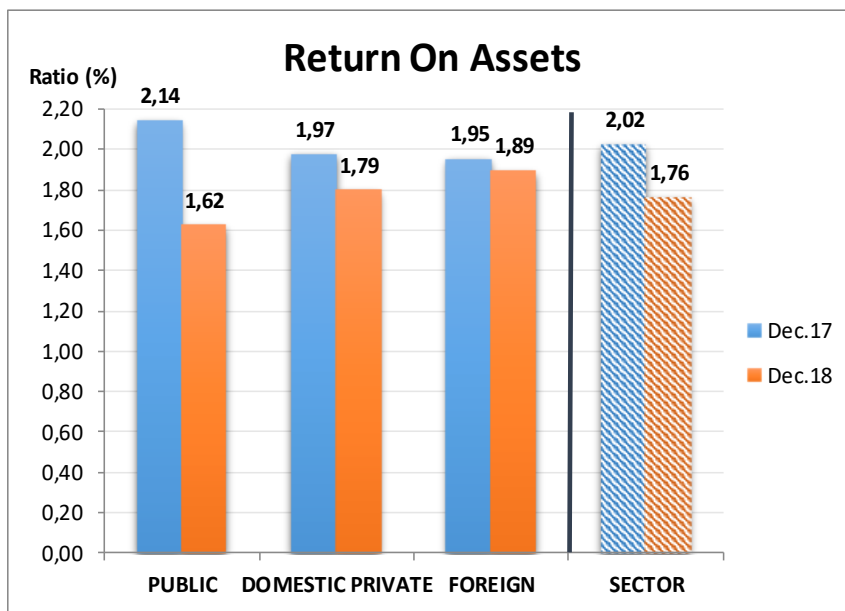


Net income of December 2018 period increased in public, domestic private and foreign bank groups when compared to the same period of 2017.

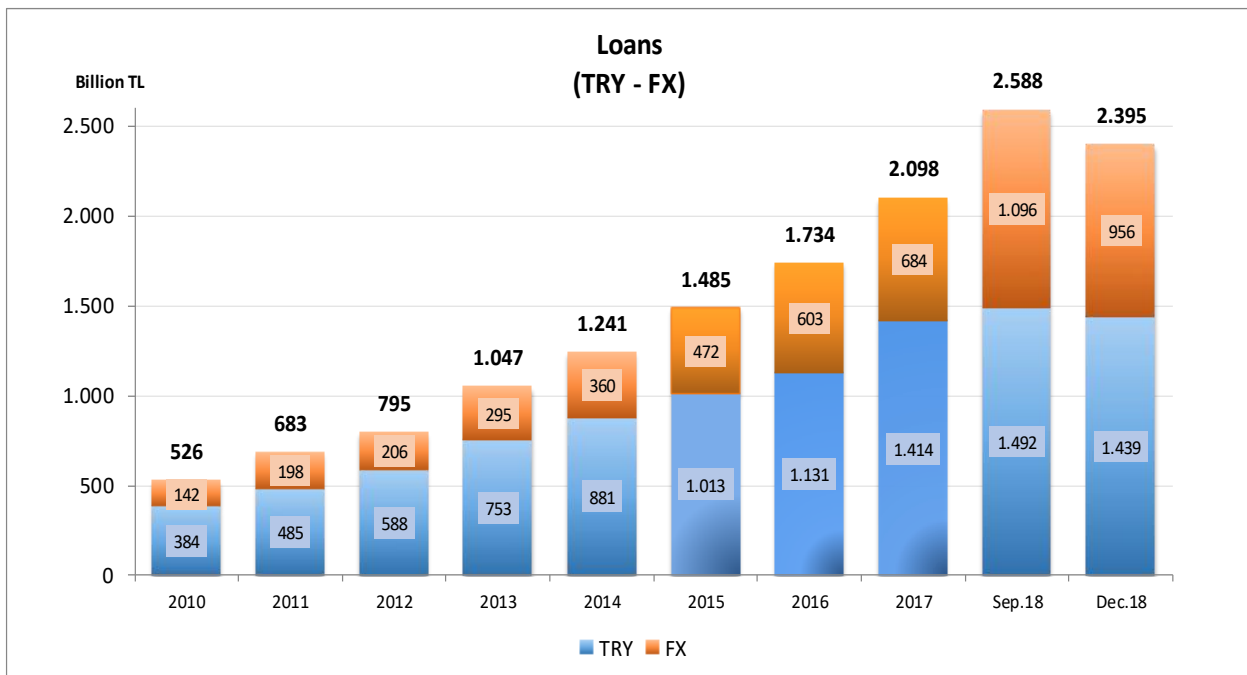


ROE of Turkish banking sector realized lower in public, domestic private and foreign banks groups when compared to the same period of the previous year.

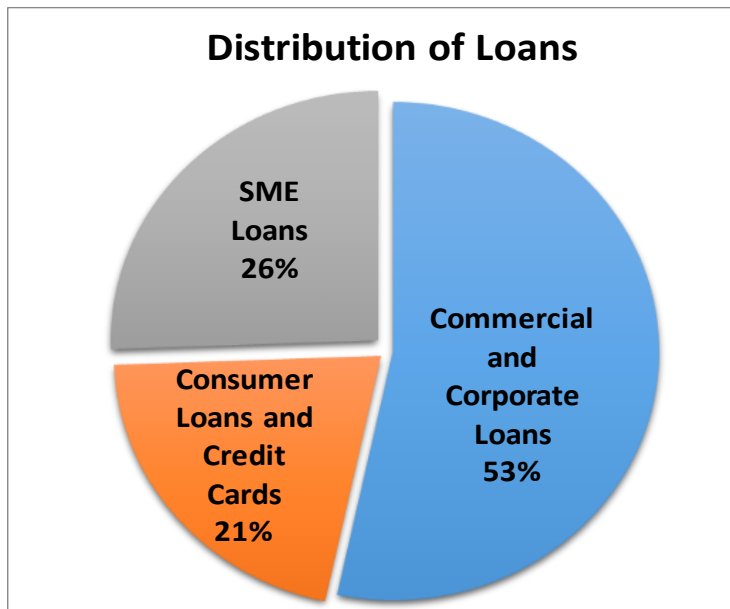
ROA of Turkish banking sector as of December 2018 realized lower as to the same period of the previous year.



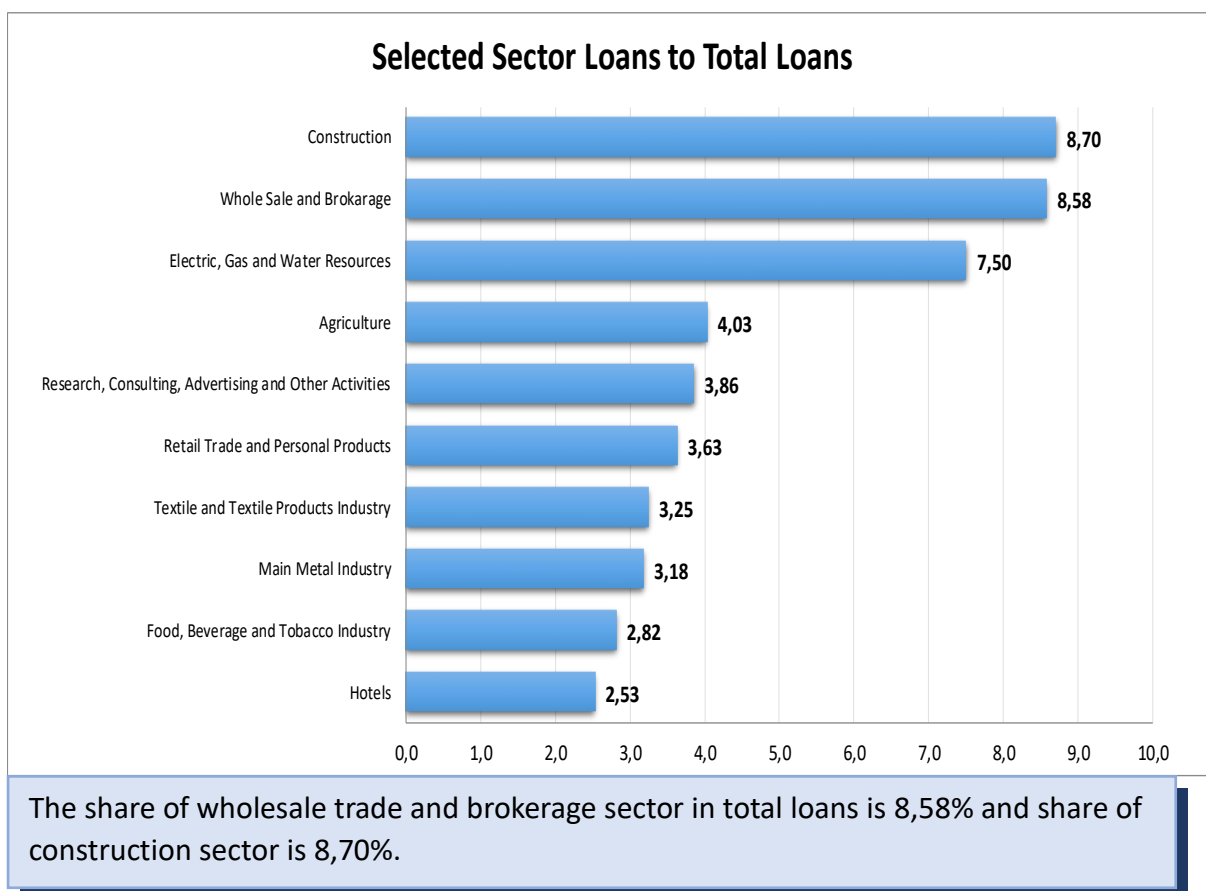
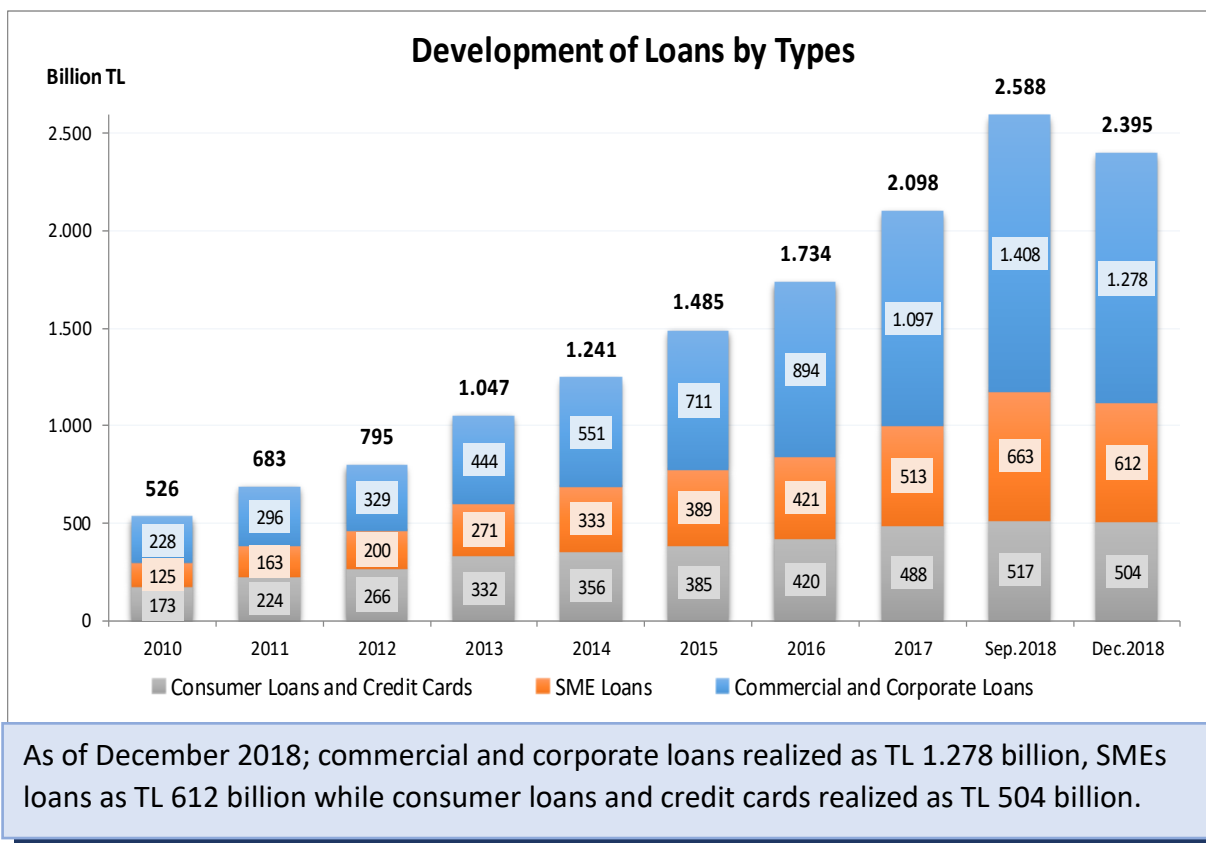
LOANS

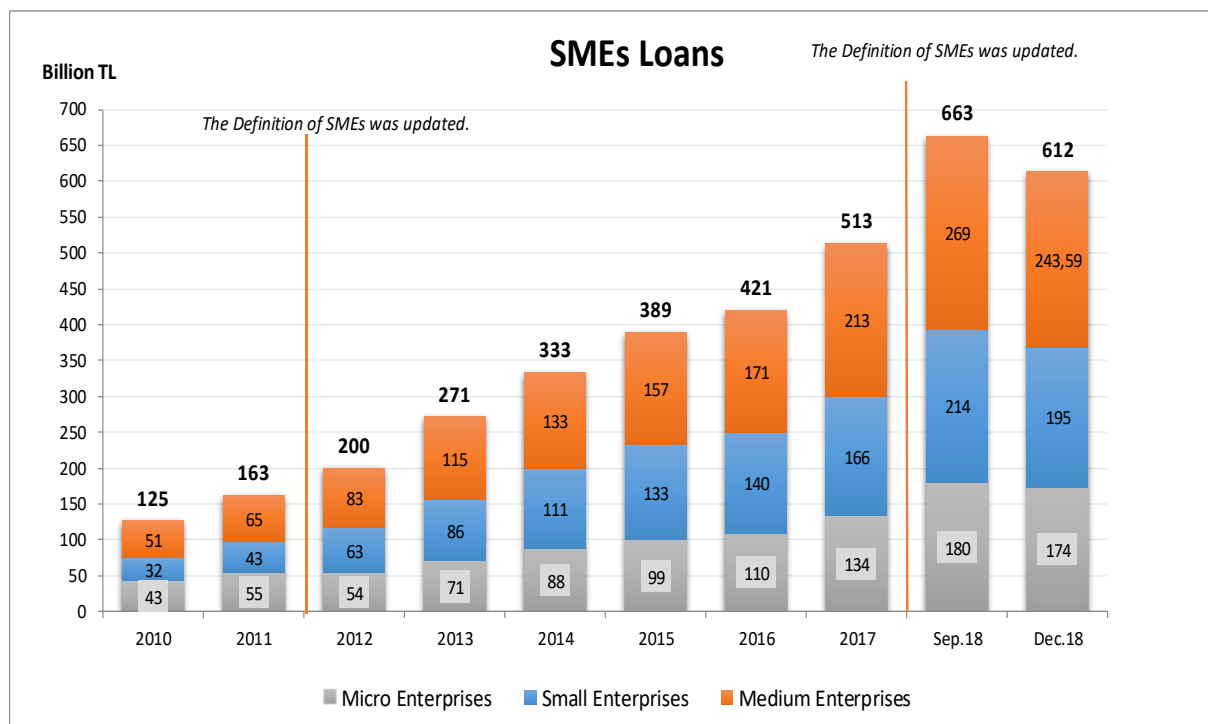


As of December 2018, total loans amount to TL 2.395 billion and TL 1.439 billion of the mentioned amount is comprised of TL loans while TL 956 billion is comprised of FX loans.

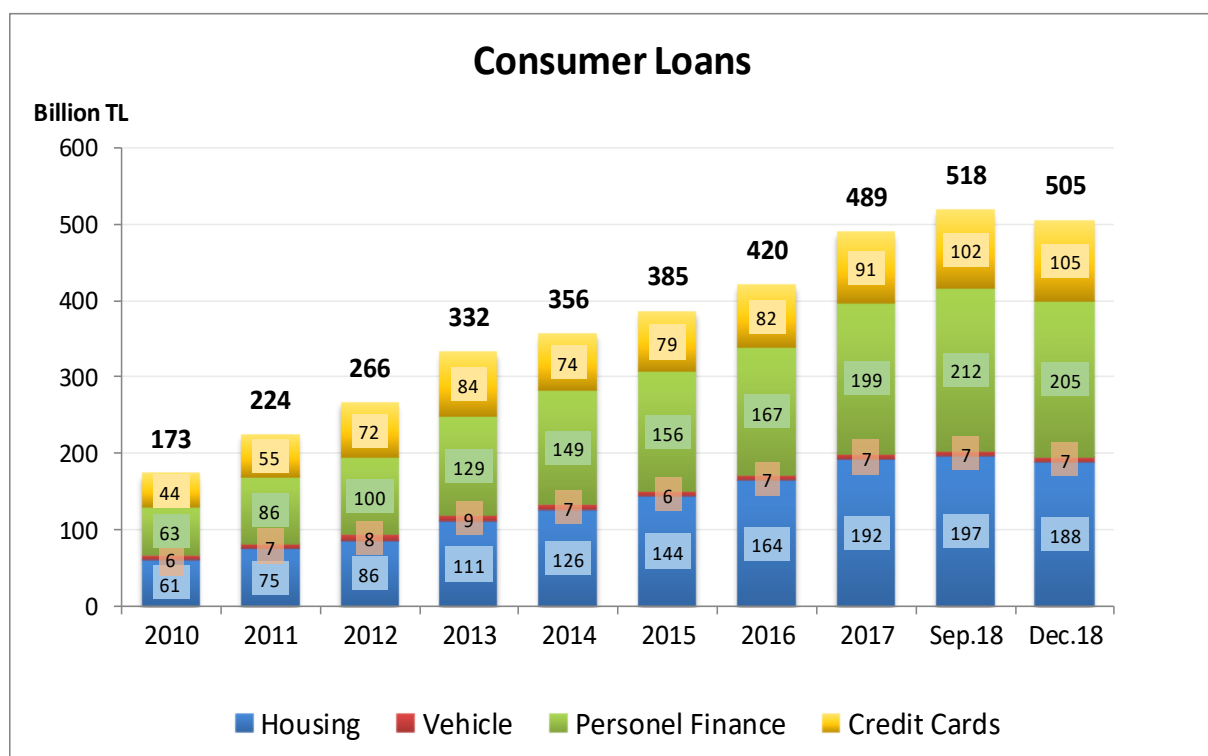


Share of commercial and corporate loans is 53%, share of SMEs loans is 26% and share of consumer loans (including credit cards) is 21% in total loans.

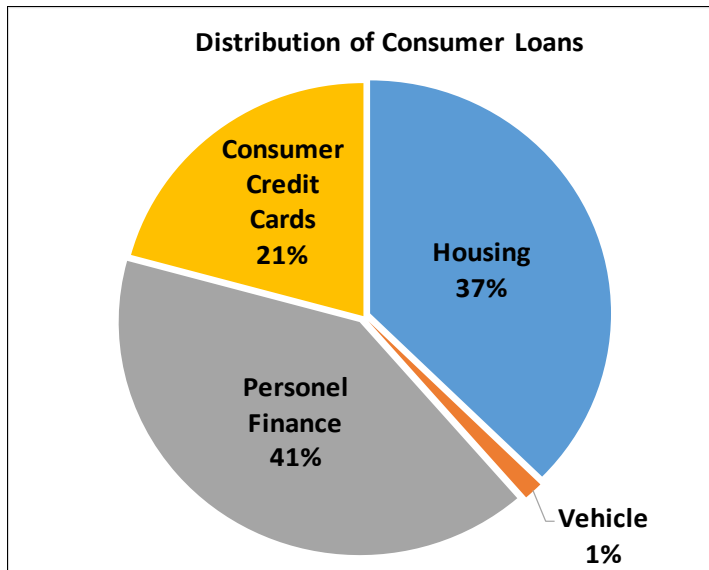




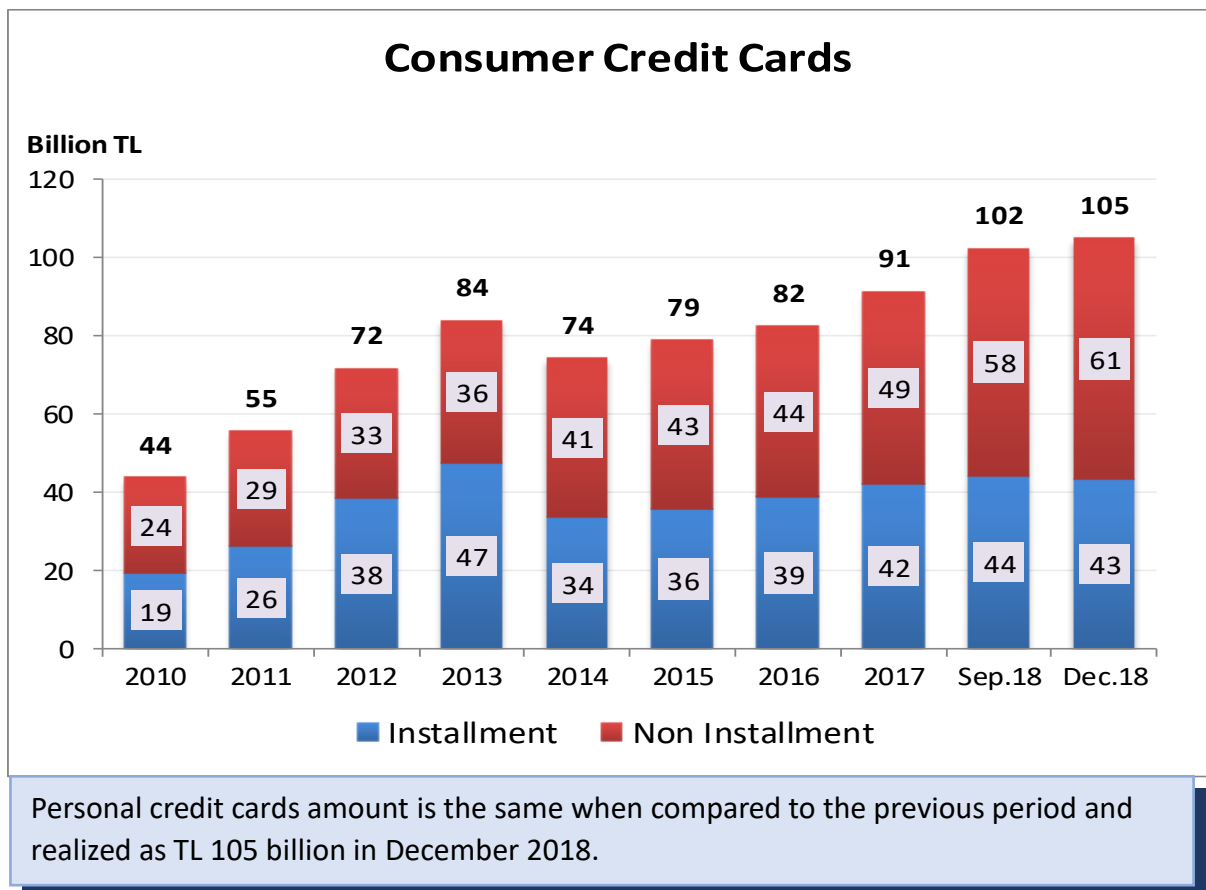
According to operating classes, medium enterprises SMEs loans decreased when compared to the previous quarter.



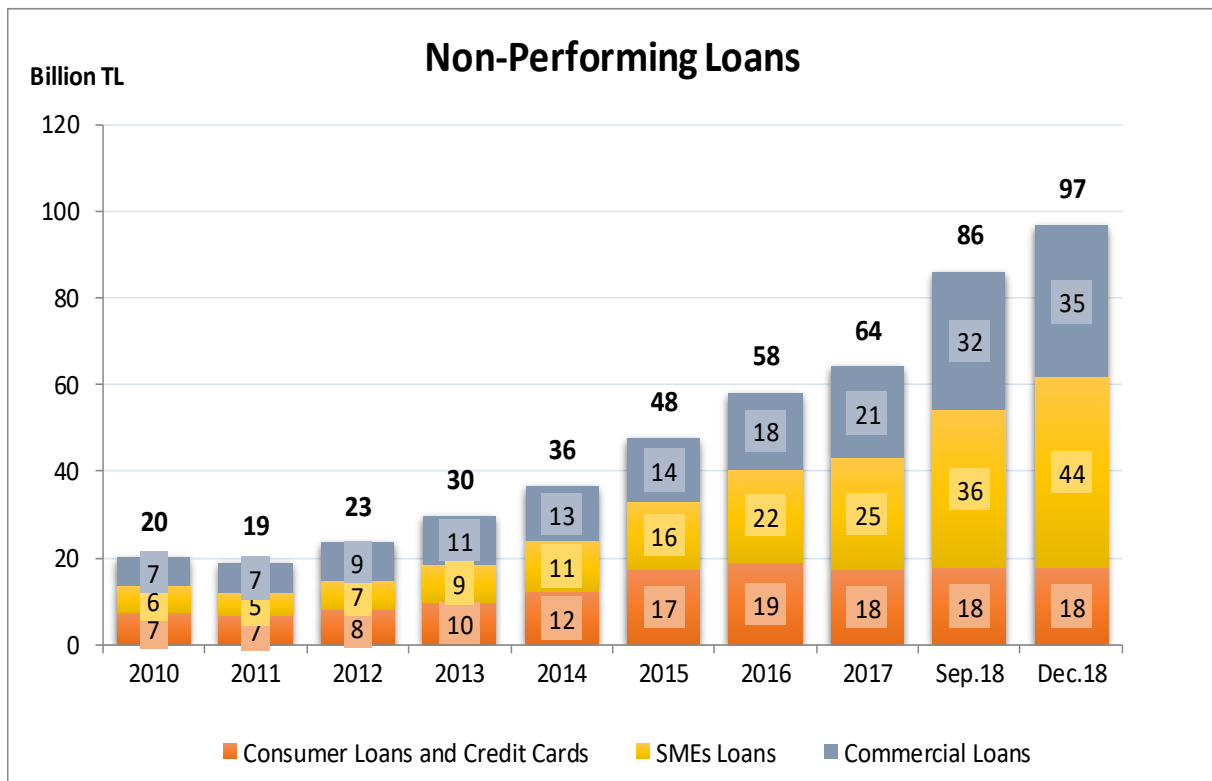
In December 2018 period, consumer loans increased as to the previous quarter and realized as TL 505 billion. Housing loans, credit cards as well as personal finance loans realized as TL 188 billion, TL 105 billion and TL 205 billion, respectively.



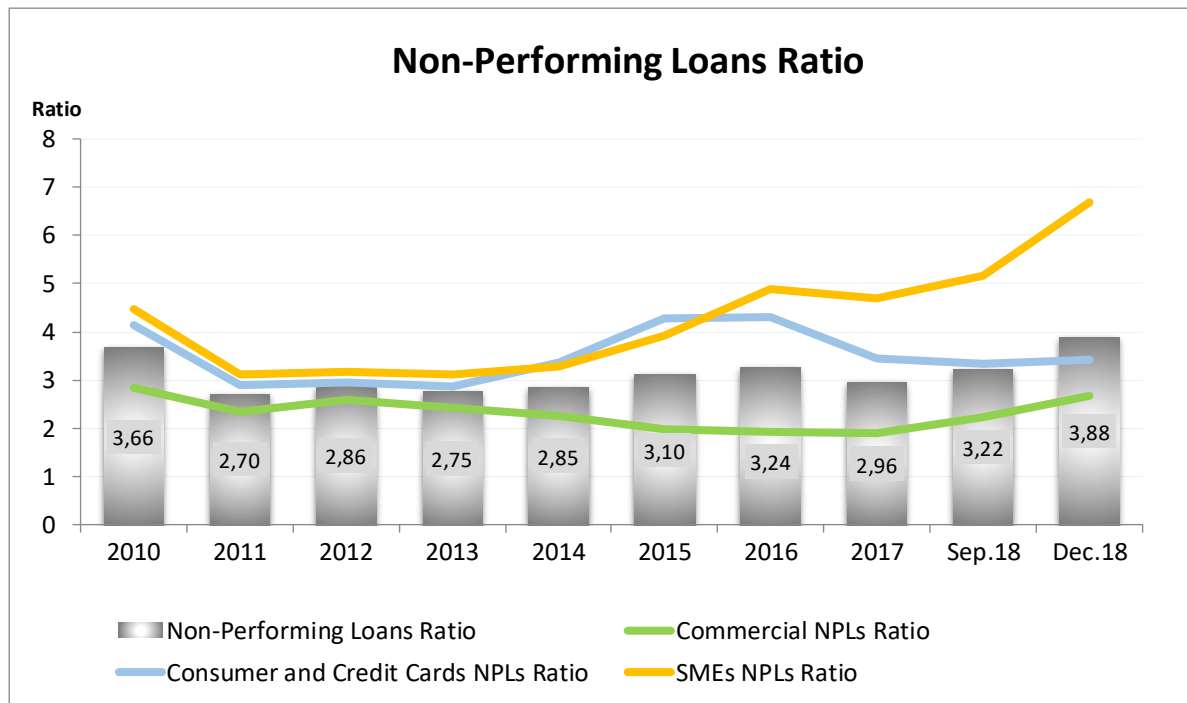
In consumer loans, the share of personal finance loans is 41%, housing loans 37% and share of credit cards is 21%.



Non-performing Loans

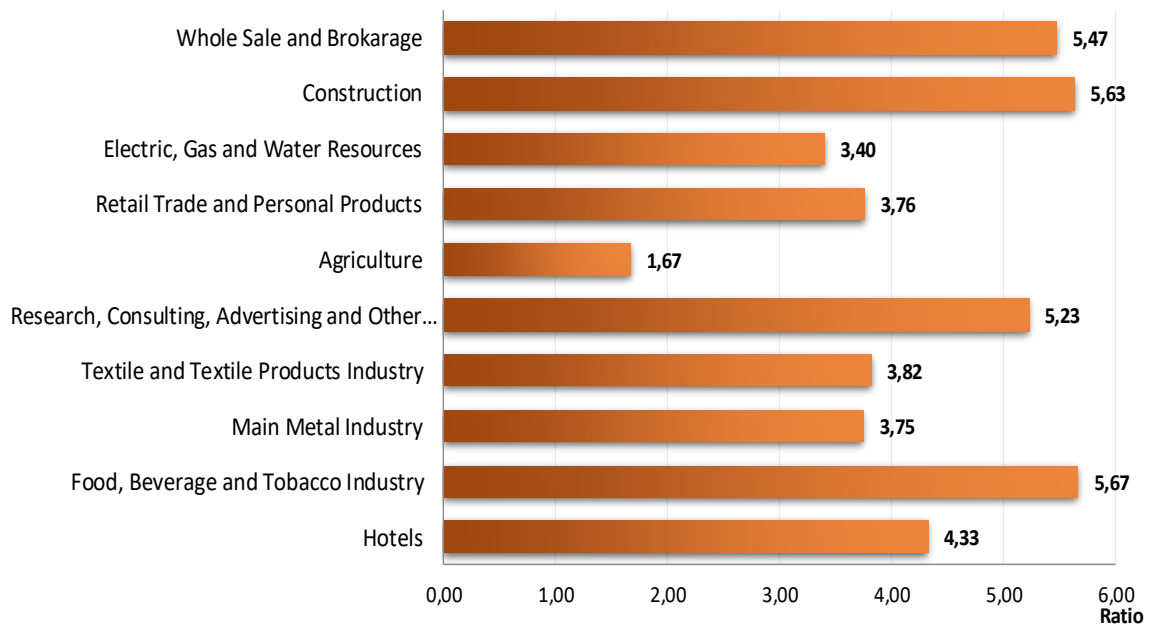


As of December 2018, gross amount of NPLs is TL 97 billion.



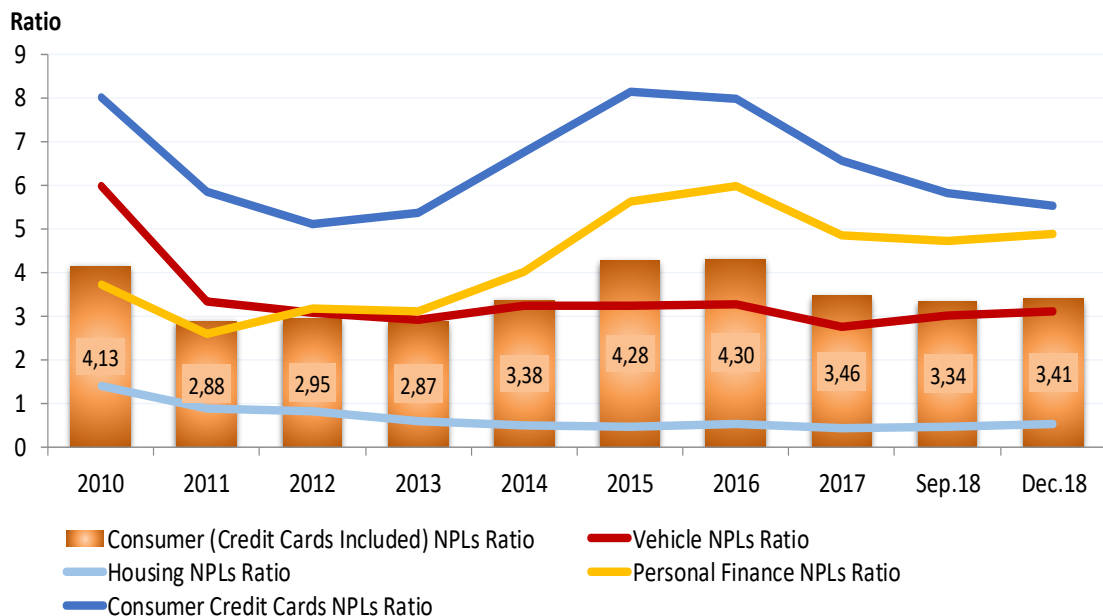
NPLs to Loans ratio in banking sector realized as 3,88% in December 2018.

Selected Sectors NPLs Ratios



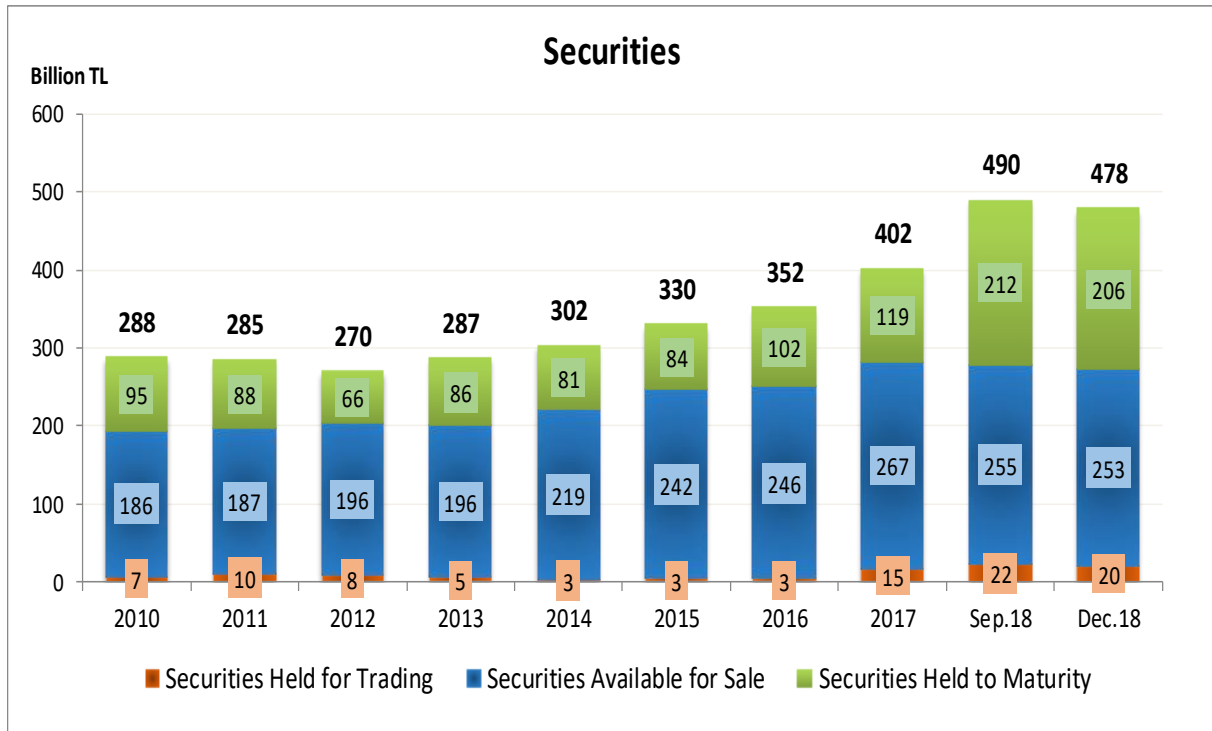
NPLs to Loans ratio in sectoral loans realized as 5,47% in wholesale trade and brokerage, 5,63% in construction sector and 3,76% in retail trade and personal products sector.

Consumer NPLs Ratios

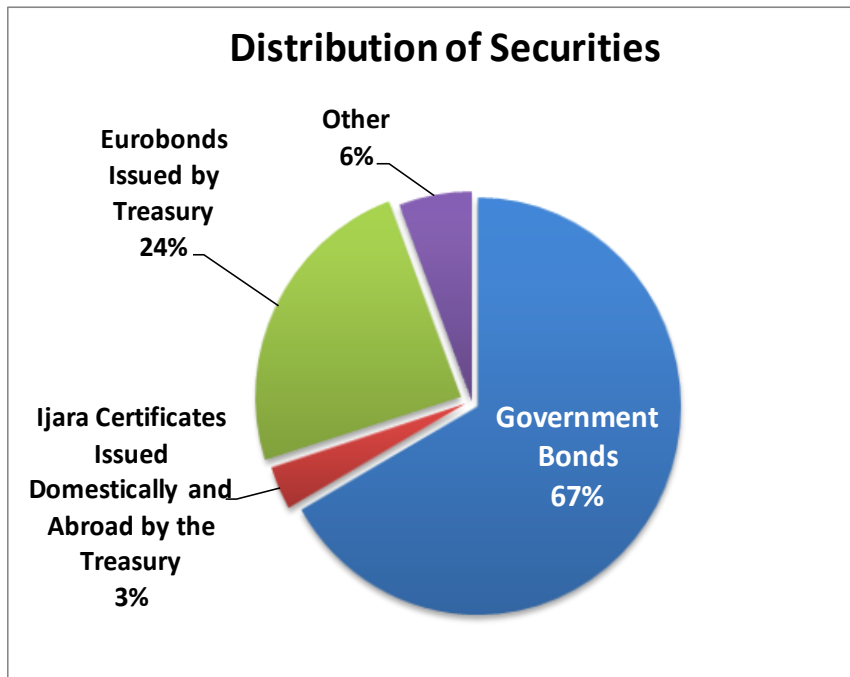


NPLs to Loans ratio of consumer loans (including personal credit cards) realized as 3,41% in December 2018 period.

Securities

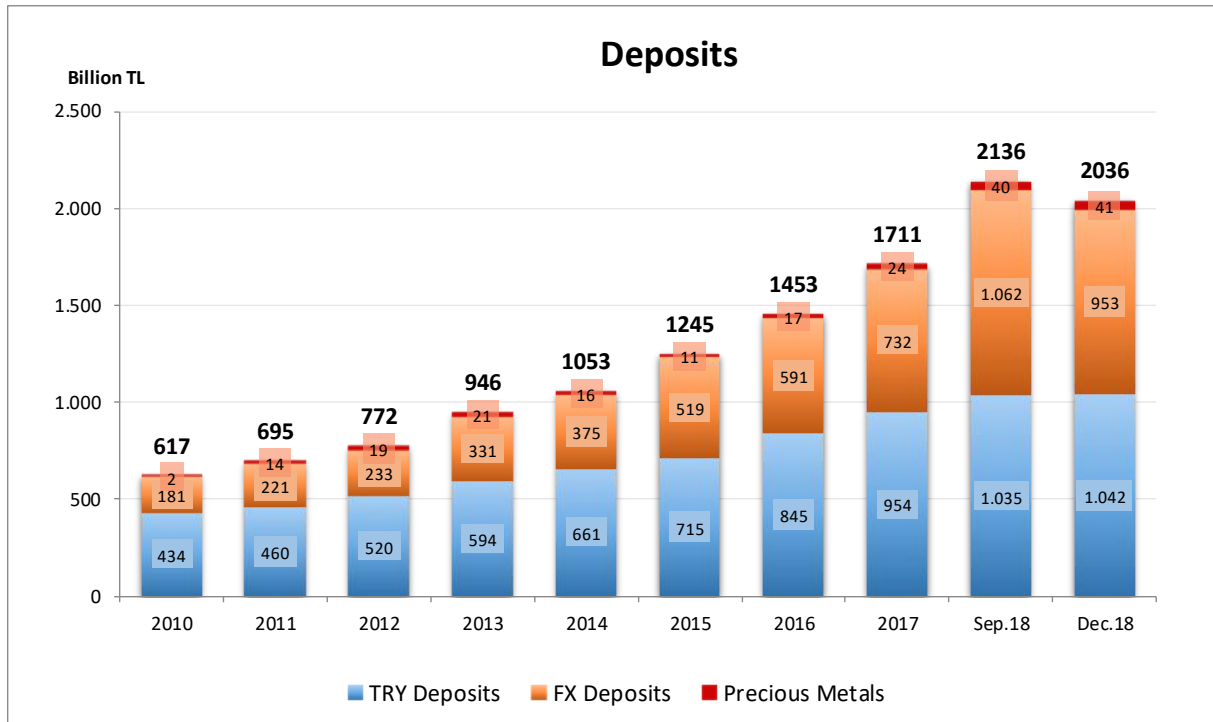


Total securities increased when compared to the previous quarter and realized as TL 478 billion.



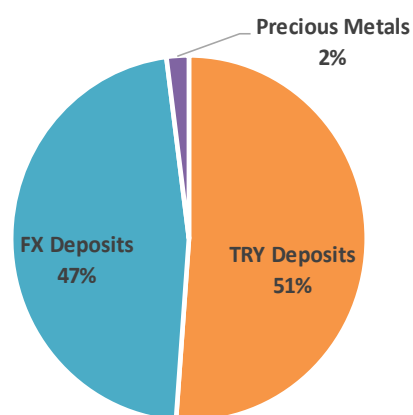
67% of securities are comprised of Government bonds, 24% are Eurobonds issued by Treasury and 3% are comprised of Ijara certificates issued domestically and abroad by the treasury (sukuk).

Deposits



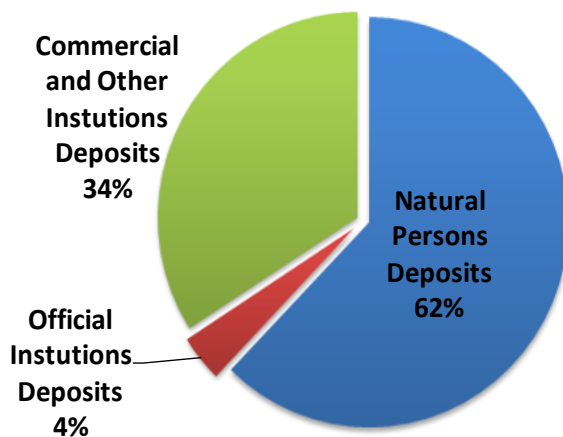
TL 1.042 billion of total deposits is comprised of TL Deposits /Participation Funds, TL 953 billion comprised of FX Deposits Account/Participation Funds and TL 41 billion is comprised of precious metals accounts.

Distribution of Deposits



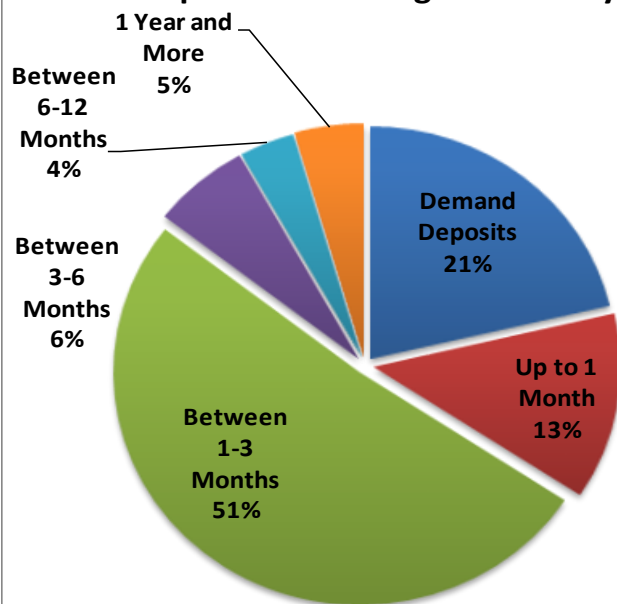
51% of total Deposits are TRY Deposits/Participation funds, 47% of FX Deposits/Participation funds and 2% of Precious Metals.

Deposits According to Types



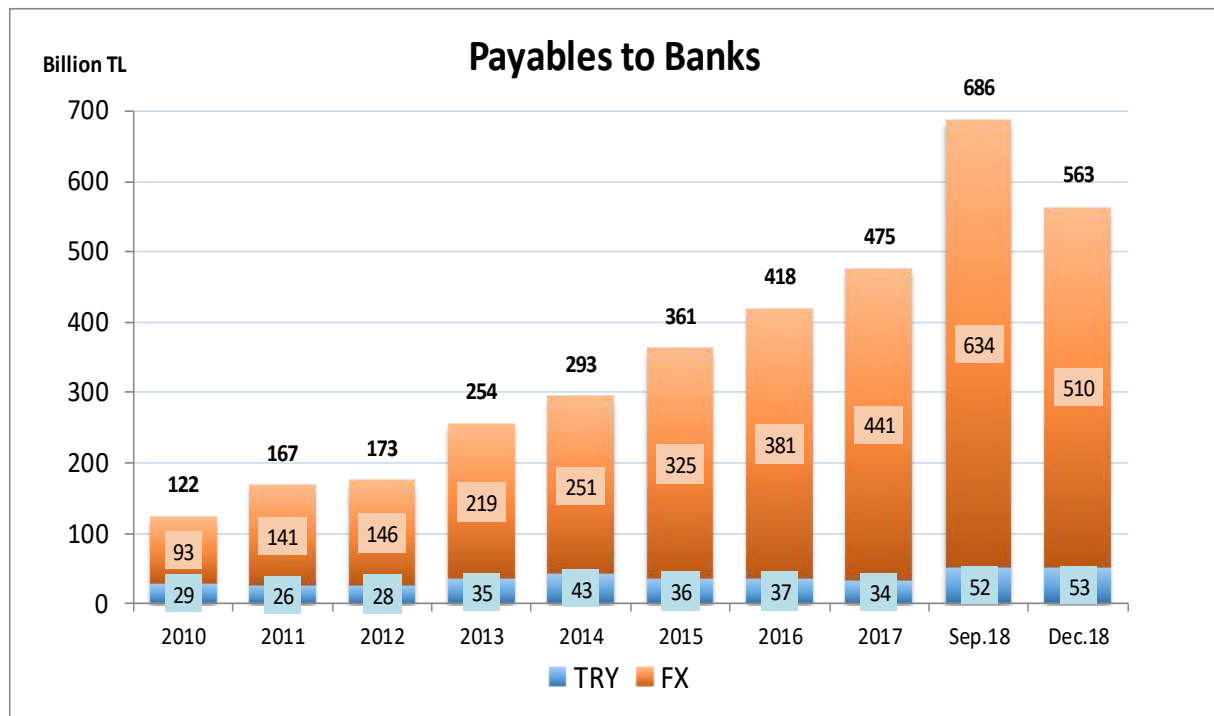
While 62% of deposits are comprised of natural person deposits, the share of commercial and other institutions deposits is 34% and share of official institutions' deposits is 4%.

Deposits According to Maturity(%)

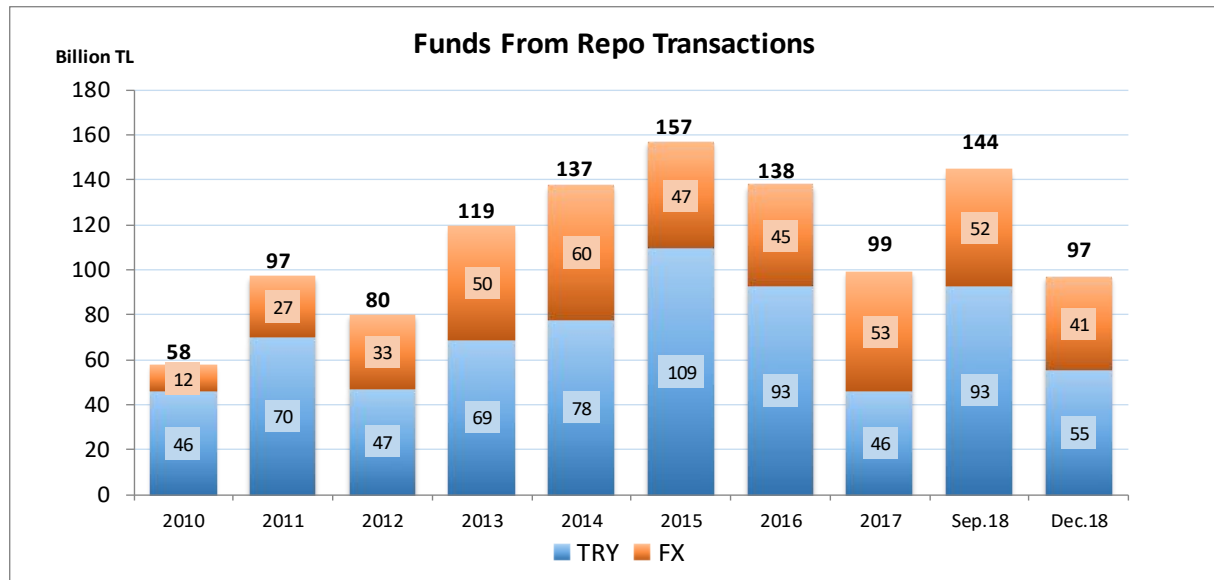


The share of demand deposits in total deposits by their opening maturities is 21% and share of 1-3 month deposits is 51%.

Payables to Banks and Repo Transactions

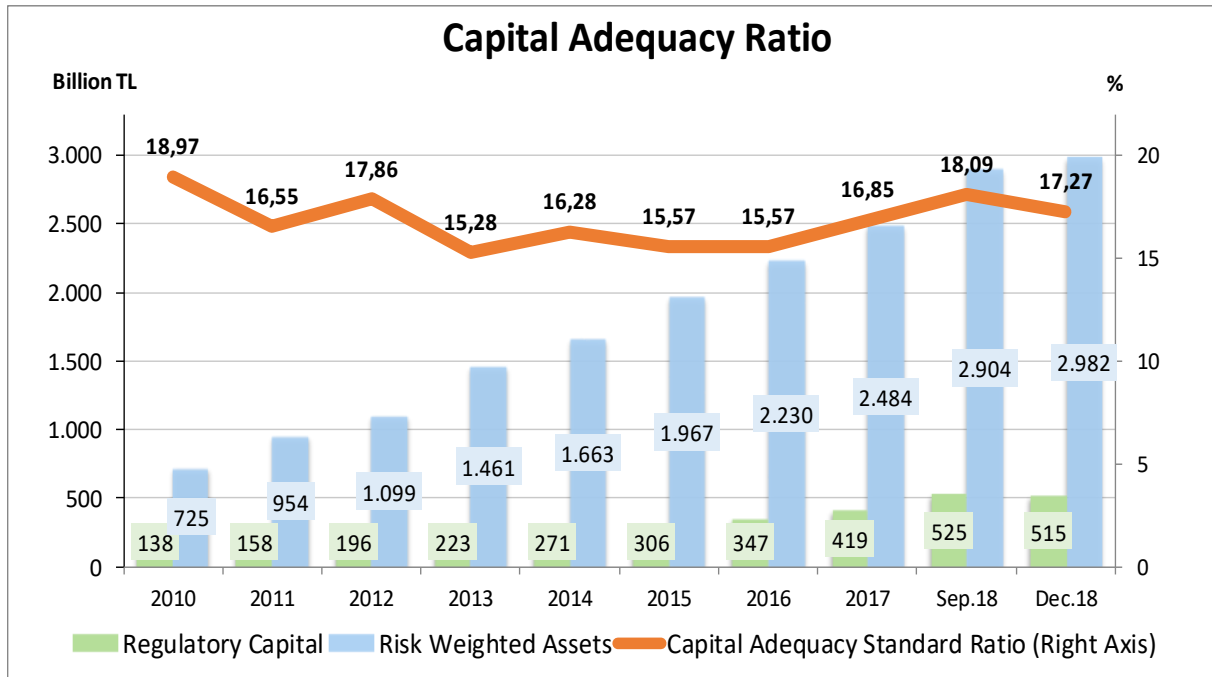


Payables to banks amount to a total of TL 563 billion as TL 53 billion Turkish Lira and TL 510 billion FX.

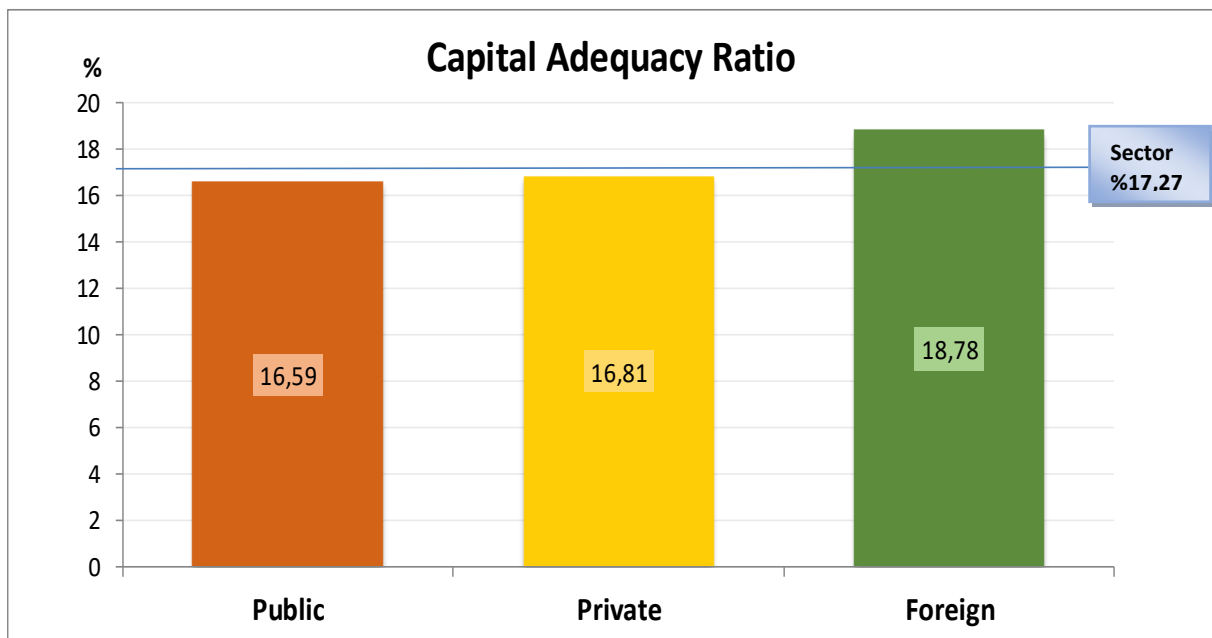


Funds amount from Repo transactions decreased when compared to the previous quarter and realized as TL 97 billion in December 2018.

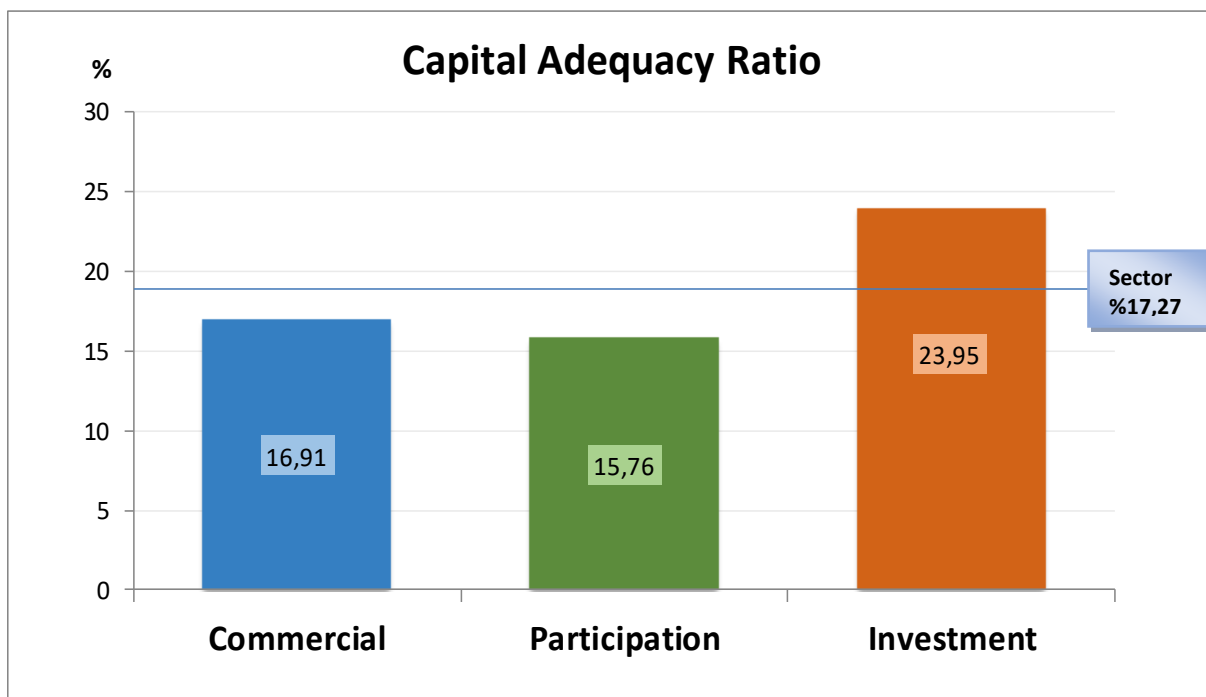
Capital Adequacy



Capital adequacy ratio of Turkish Banking Sector realized as 17,27 % in December 2018.



By bank ownership groups, capital adequacy of foreign banks is above the sector average by 18,78 %.



By function groups, capital adequacy ratio realized as 16,91%, 15,76% and 23,95% for deposit bank, participation banks as well as development and investment banks, respectively.



In capital adequacy calculation, 91% of risk-weighted assets is comprised of amount subject to credit risk, 7% 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
December 2018



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