



The Banking Sector in Turkey

2007 - 2011

This study was prepared using data provided by the Central Bank of the Republic of Turkey (CBRT), Banking Regulation and Supervision Agency (BRSA), Turkish Statistical Institute (TurkStat), Capital Markets Board of Turkey, The Interbank Card Center, International Monetary Fund, European Banking Federation and The Banks Association of Turkey (BAT).

Whilst every effort has been made to ensure that the information contained in this study is correct, The Banks Association of Turkey cannot accept any responsibility for any errors or omissions or for any consequences resulting therefrom.

Unless otherwise stated, data covers deposit and development and investment banks.

This study was prepared for the aim of following up and assessing the developments in the Turkish Banking Sector. The study will be updated every three months.

Any ideas and suggestions are welcome and important for the improvement of the study.

For your ideas and suggestions:

Emre Alpan İnan, emre.inan@tbb.org.tr, 0212 282 09 73

Şirin Mutlutürk, sirin.mutluturk@tbb.org.tr, 0212 282 09 73

Latest update: 16 February 2012

Index

- [General Information](#)
- [Balance Sheet Indicators](#)
- [Selected Indicators](#)
- [Income/Expenditure Indicators](#)
- [International Comparison](#)

General Information



Banking Sector in Turkey

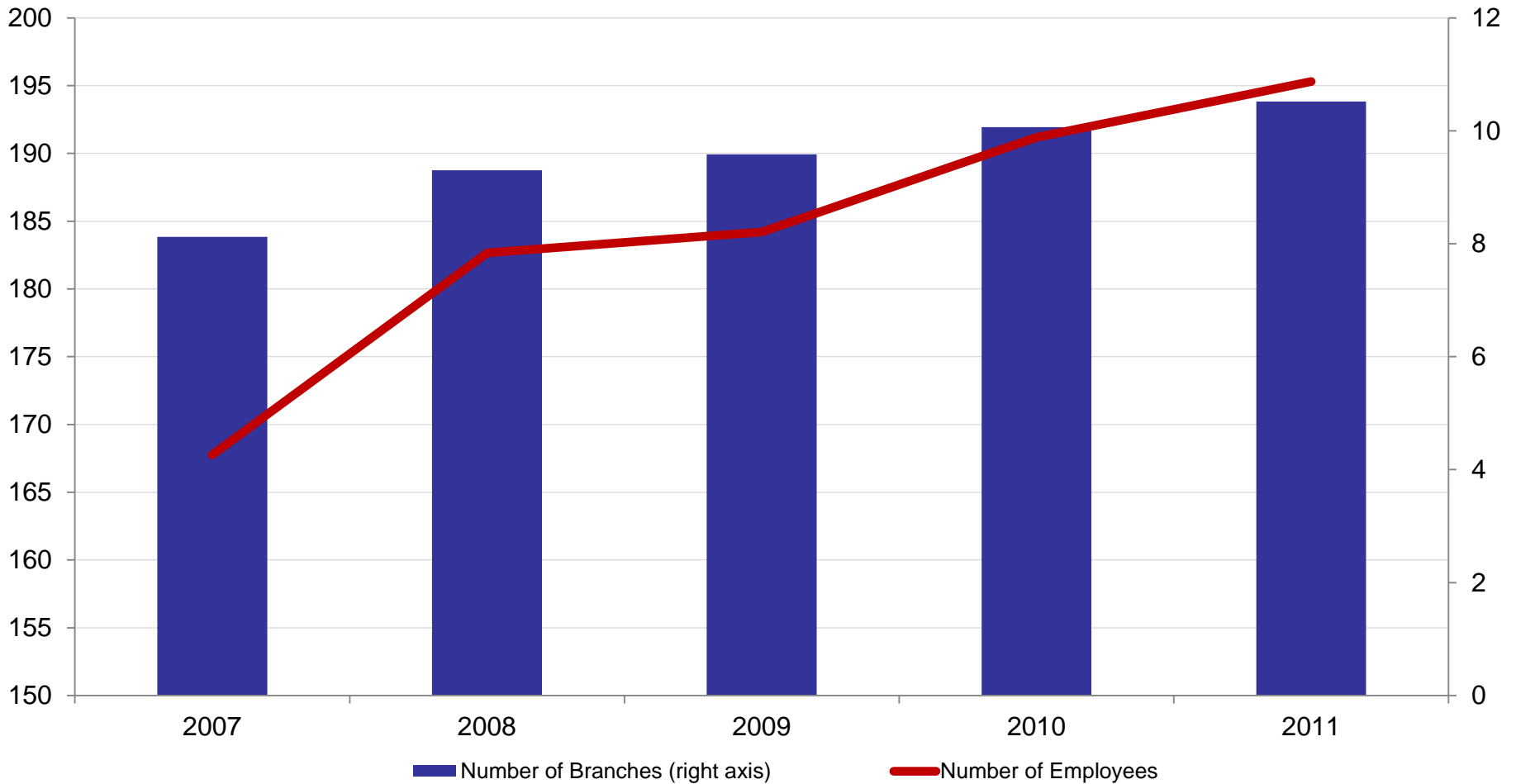
- As of February 2012, there are 48 banks in total, 31 of them being deposit, 13 development and investment and 4 of them participation banks. According to Banking Law No 5411:
- Deposit bank: The institutions operating primarily for the purposes of accepting deposit and granting loan in their own names and for their own accounts,
- Participation bank: The institutions operating primarily for the purpose of collecting fund through participation accounts and granting loan,
- Development and investment bank: The institutions operating primarily for the purposes of granting loan and/or fulfill the duties assigned thereto by their special Laws.

Number of Banks

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Deposit Banks	33	32	32	32	31
State-owned	3	3	3	3	3
Private	11	11	11	11	11
Foreign	18	17	17	17	16
SDIF	1	1	1	1	1
Dev. and Invest. Banks	13	13	13	13	13
Participation Banks	4	4	4	4	4
Total	50	49	49	49	48

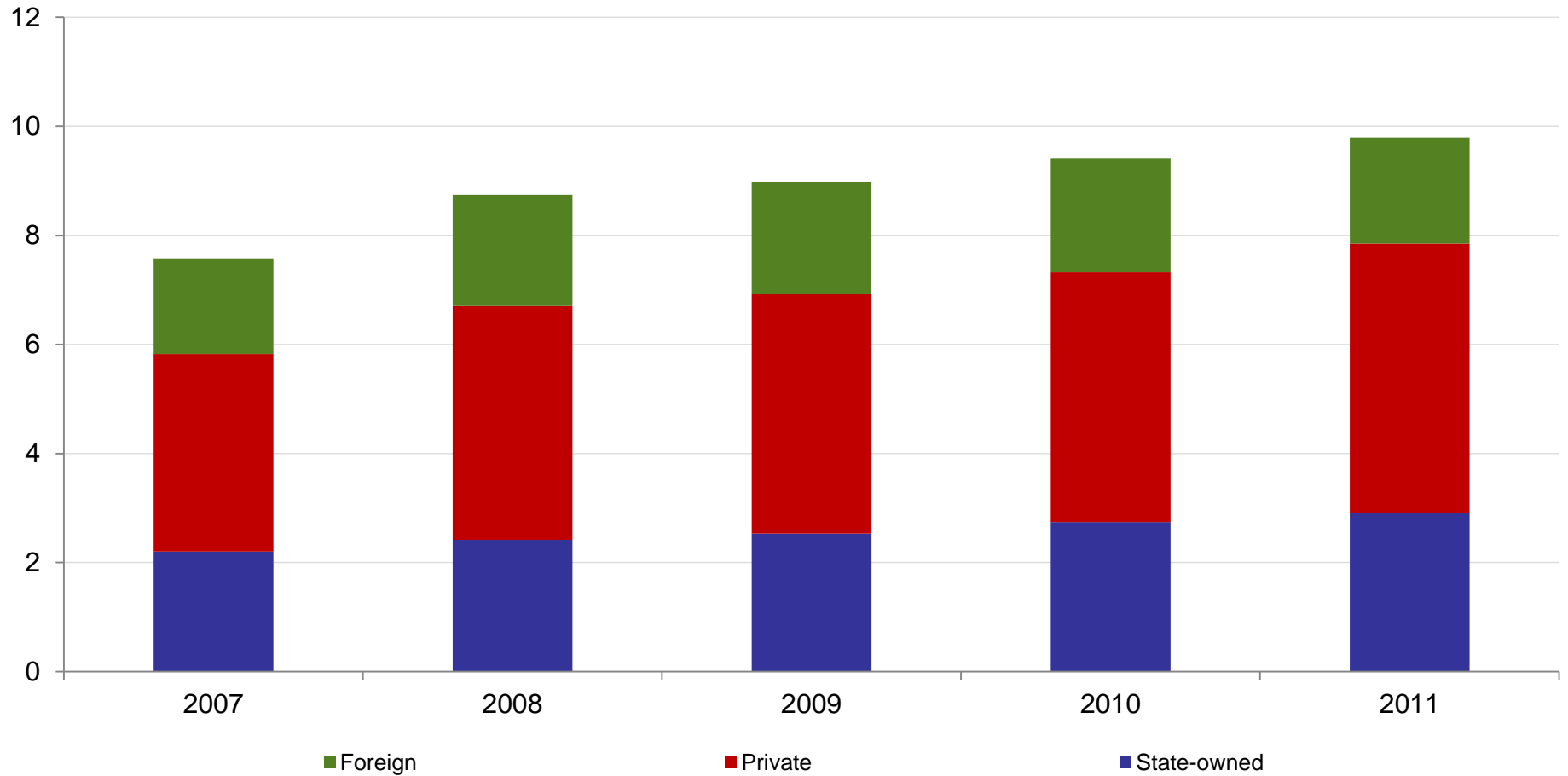
Source: BRSA

Number of Branches and Employees (Thousand)



Participation banks are included.
Source: BRSA

Number of Branches of Deposit Banks (Branches abroad are included, thousand)

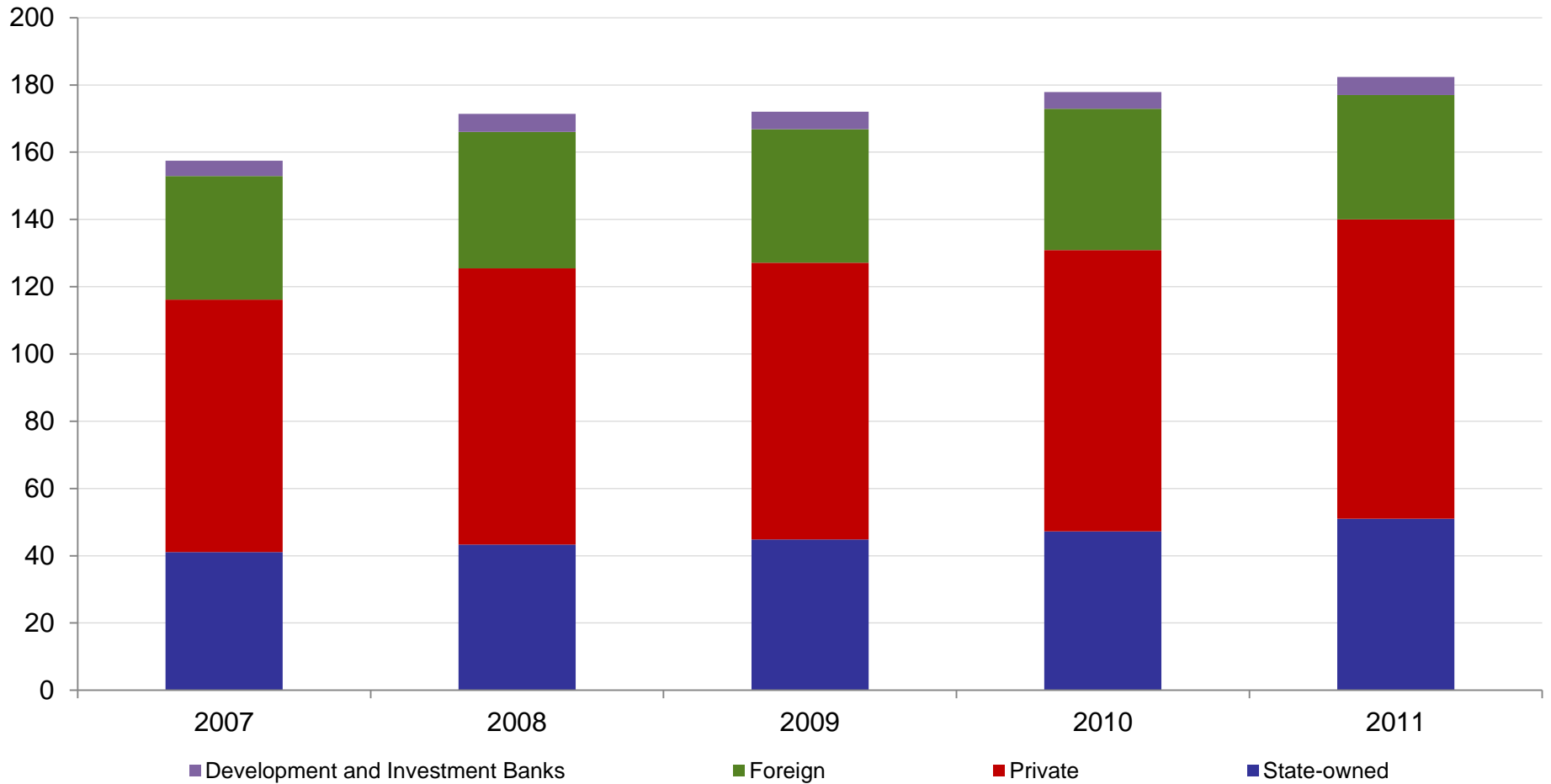


Number of branches of SDIF banks are 1 as of 2011.

Number of branches of development and investment banks are 42 as of 2011.

Source: BRSA

Number of Employees (Thousand)



Number of employees of SDIF banks are 243 as of 2011.

Source: BRSA

Distribution of Employees by Sex (Percentage)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Female	48.7	49.4	49.9	49.9	49.8
Male	51.3	50.6	50.1	50.1	50.2

Source: BAT

Ownership Structure^{*,**}

(In terms of paid-in capital, as of September 2011, perc.)

	Trading in ISE	Other	
		Resident	Non-Resident ^{***}
Total	15.6	57.0	27.4
Deposit Banks	19.3	46.3	34.4
State-owned	15.1	84.9	0.0
Private	27.8	49.5	22.7
SDIF	0.0	100.0	0.0
Foreign	0.1	3.3	96.6
Development and Investment Banks	2.9	93.7	3.4

* Ownership structure is not taken into account in the shares trading in ISE.

**The weighted paid-in capital shares are used for the calculation of capital structure .

***The distribution of shares traded in ISE is not included.

Source: BAT

Ownership Structure^{*,**} (In terms of paid-in capital, as of September 2011, perc.)

Periods	Trading in ISE	Other	
		Resident	Non-Resident ^{***}
2005	17.3	68.1	14.6
2006	18.1	65.7	16.1
2007	15.4	57.2	27.4
2008	16.3	55.1	28.6
2009	15.8	55.8	28.4
2010	16.2	56.2	27.7
September 2011	15.6	57.0	27.4

* Ownership structure is not taken into account in the shares trading in ISE.

**The weighted paid-in capital shares are used for the calculation of capital structure .

***The distribution of shares traded in ISE is not included.

Source: BAT

Numbers of ATM, POS, Debit Cards and Credit Cards (Thousand)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
ATM	19	22	24	28	32
POS	1,454	1,633	1,739	1,824	1,977
Debit Cards	55,510	60,552	64,662	69,917	81,880
Credit Cards	37,335	43,394	44,393	46,956	51,361

Source:The Interbank Card Center

Number of customers in Internet Banking and Volume of Transactions

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Number of Active Customers *(Million)	4.3	5.2	5.9	6.7	8.6
Volume of Transactions (Billion TL)	445	475	530	637	1,010

* The number of customers who have logged in at least once during last three months.
Source: BAT

General Purpose Loans, Other Loans and Housing Loans Stock (Loans Outstanding and Per Capita)

General Purpose* and Other** Loans	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 September</u>
Total (Million TL)	27,303	36,110	41,365	59,275	79,727
Per Capita (Thousand TL)	4.8	4.5	4.8	6.0	6.4
Housing Loans	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 September</u>
Total (Million TL)	30,735	37,347	42,733	57,584	68,372
Per Capita (Thousand TL)	45.1	49.0	43.9	53.2	56.9

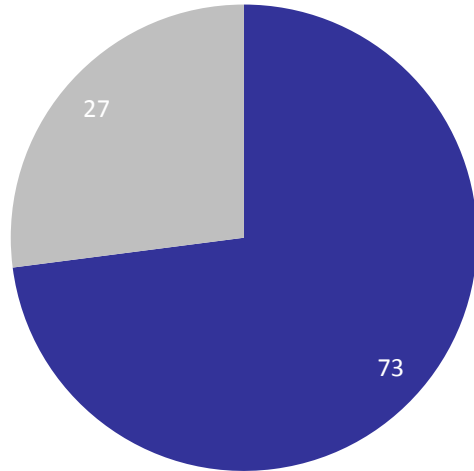
*General purpose loans: Loans borrowed for durable and semi-durable consumer goods, education, marriage and health purposes.

**Other loans: Loans which cannot be grouped in the other three types of loans.

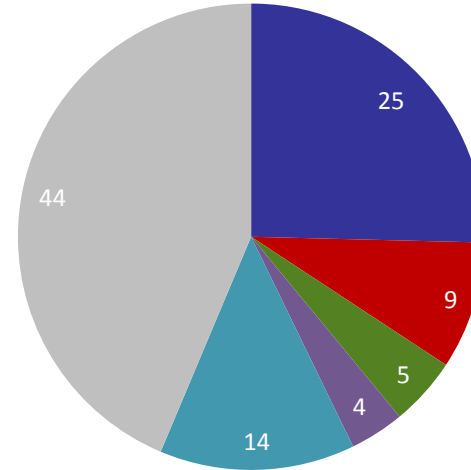
Source: BAT

Breakdown of Individual (incl. automotive and housing) Loans According to Income Level of Borrowers (Loans extended, percentage)

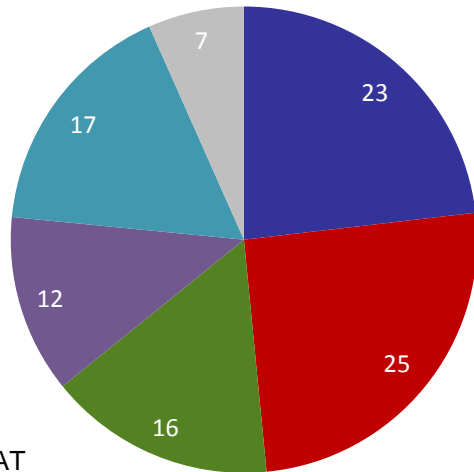
2008



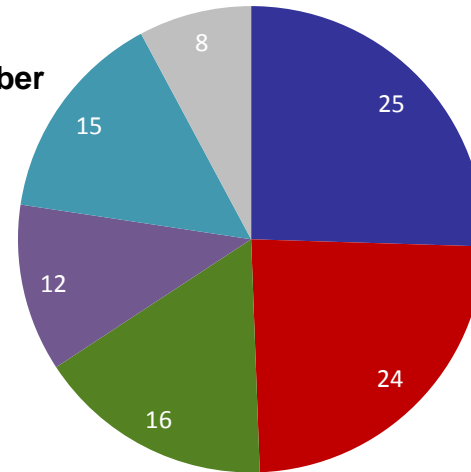
2009



2010



2011
September



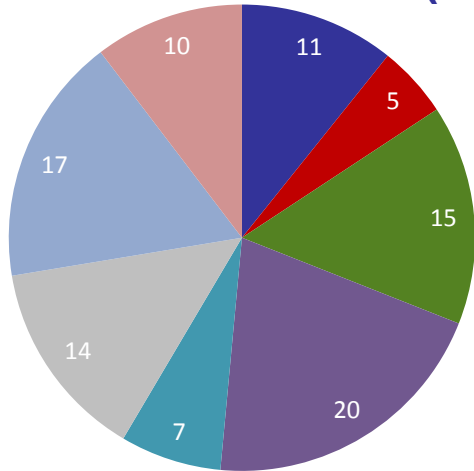
- 0 - 1.000 TL
- 1.001-2.000 TL
- 2.001-3.000 TL
- 3.001-5.000 TL
- 5.001 + TL
- Unclassified

Source: BAT

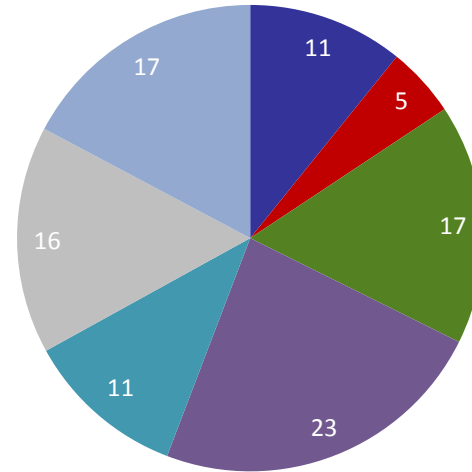


Breakdown of Individual (incl. automotive and housing) Loans According Maturity of Loans (Loans extended, percentage)

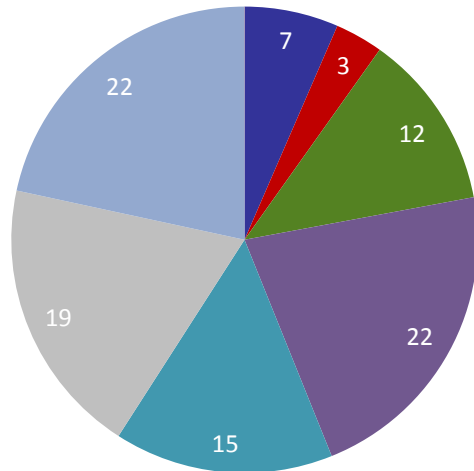
2008



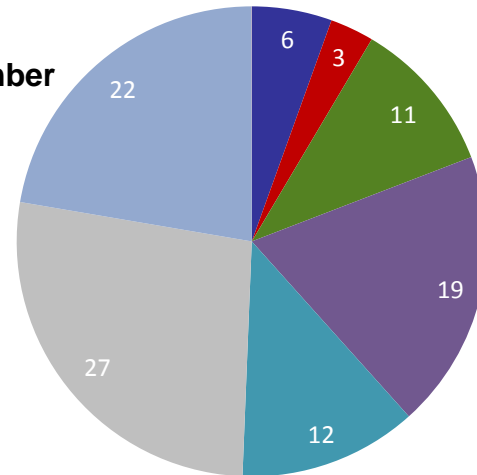
2009



2010



2011
September

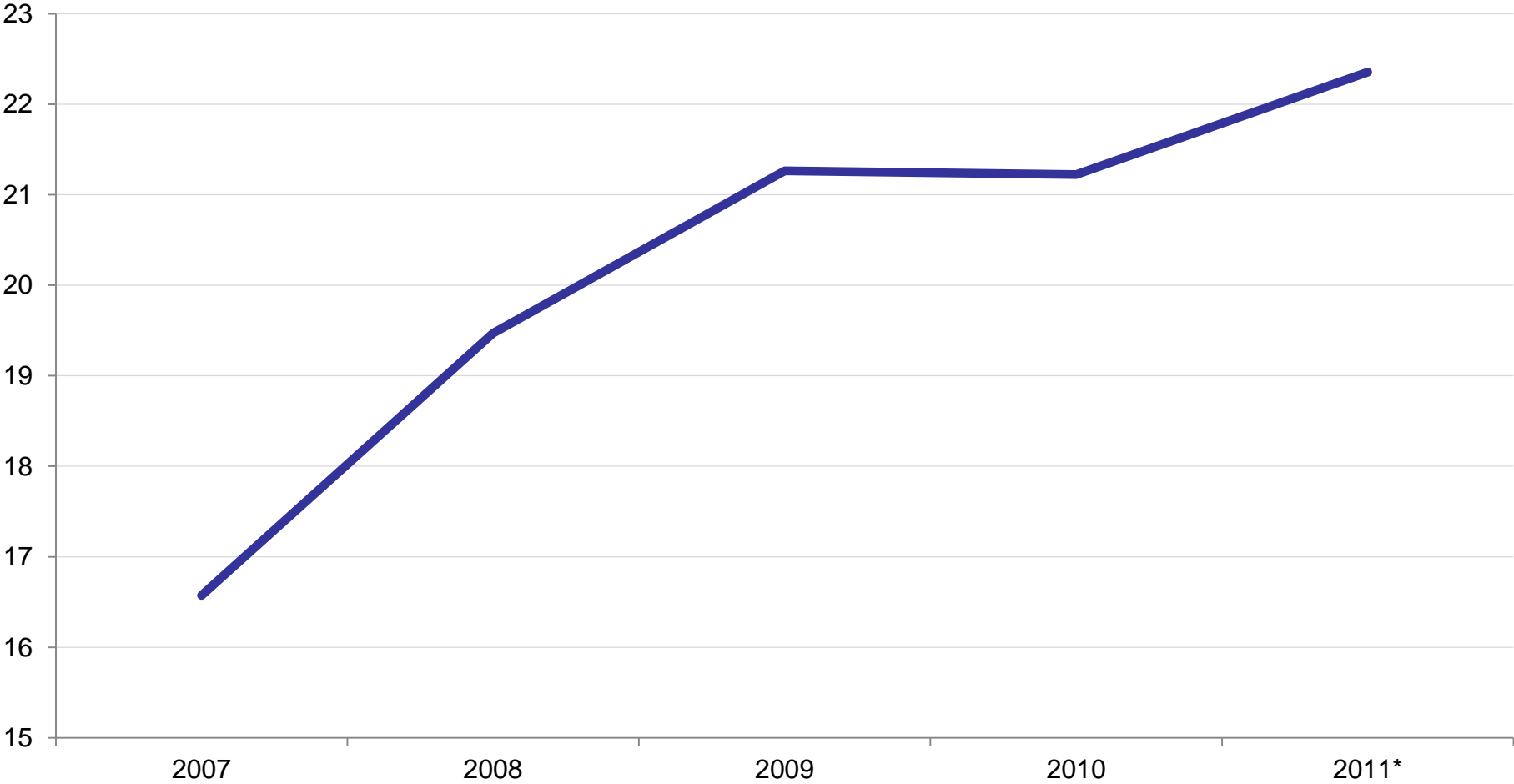


- 3-12 mths
- 13-18 mths
- 19-24 mths
- 25-36 mths
- 37-48 mths
- 49-72 mths
- 73+
- Unclassified

Source: BAT



Transaction Volume of Credit Cards (Incl. domestic and international transactions) to Gdp (Percent)

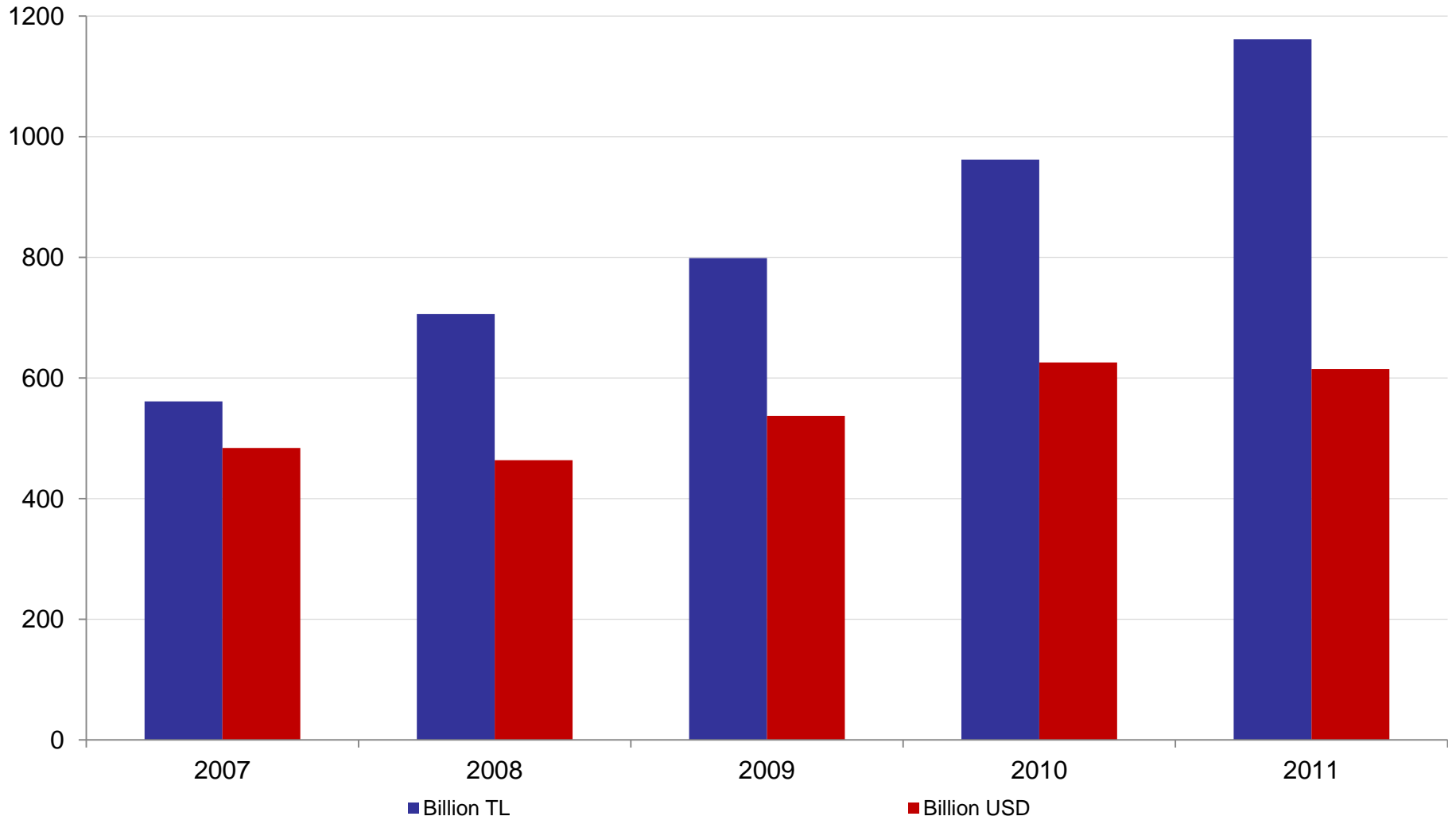


* Gdp is calculated by estimating 8,3 growth rate for 2011.
Source: The Interbank Card Center, TurkStat



Balance Sheet Indicators

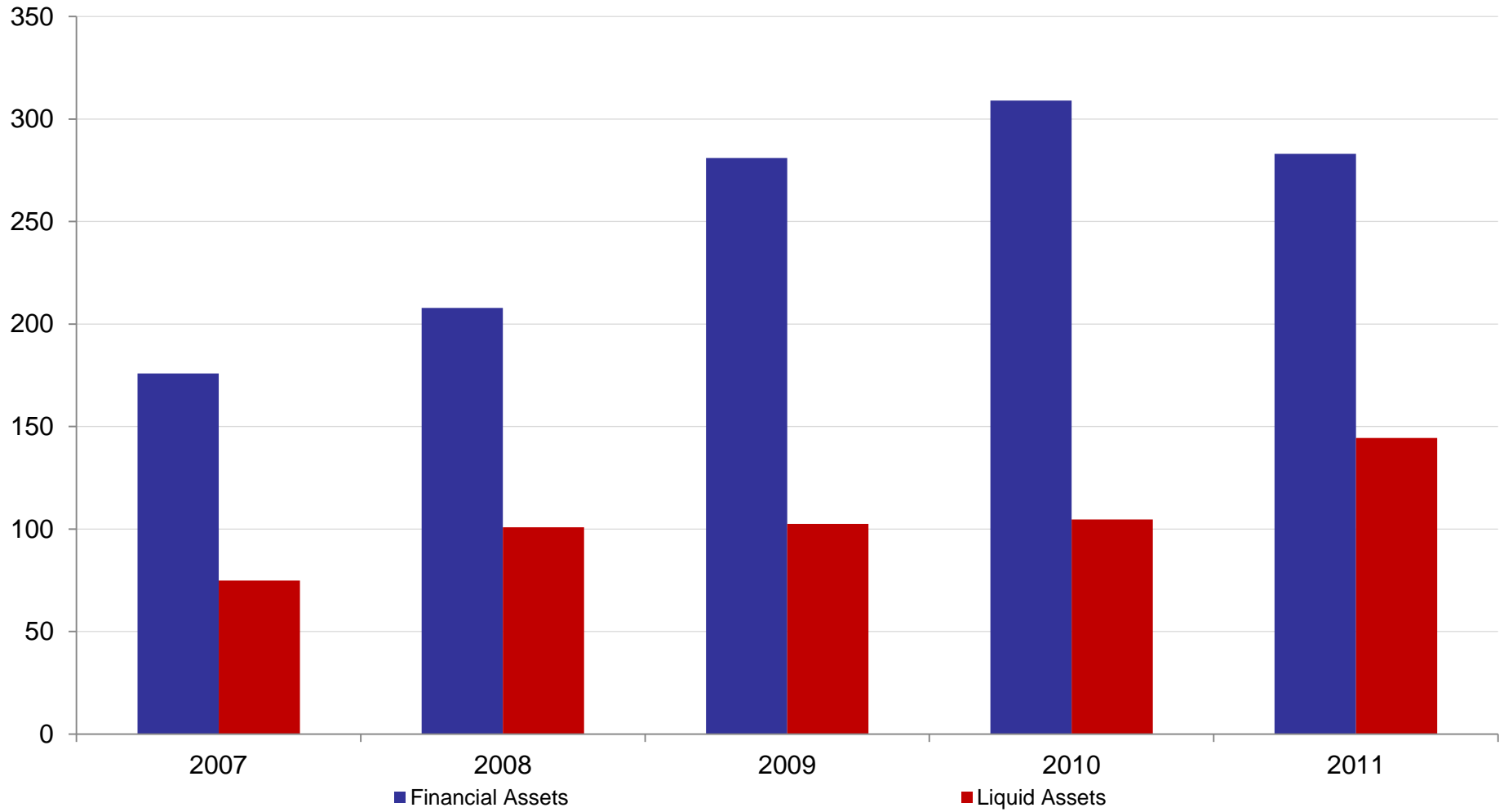
Total Assets



Source: BRSA

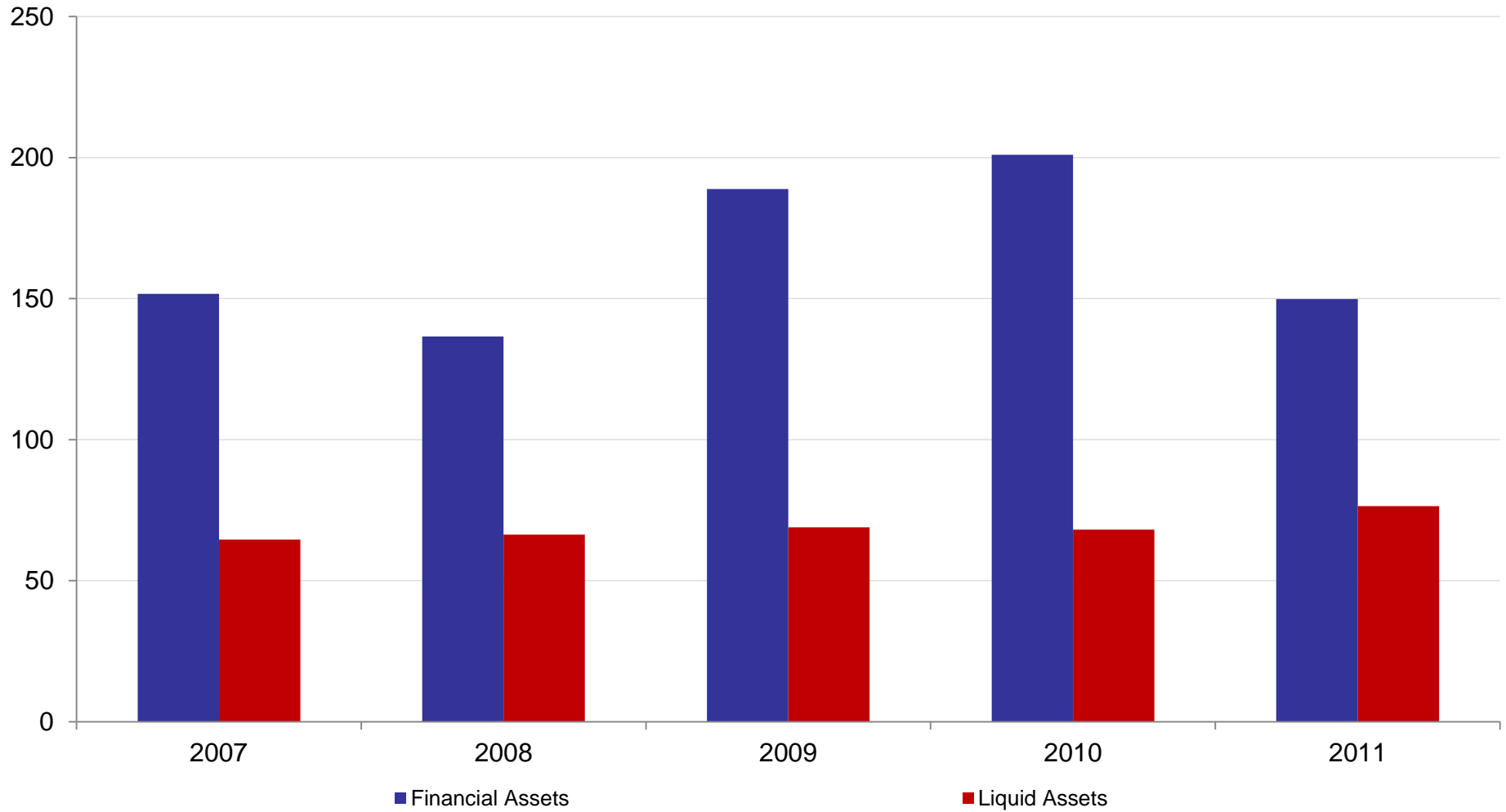


Financial Assets and Liquid Assets (Billion TL)



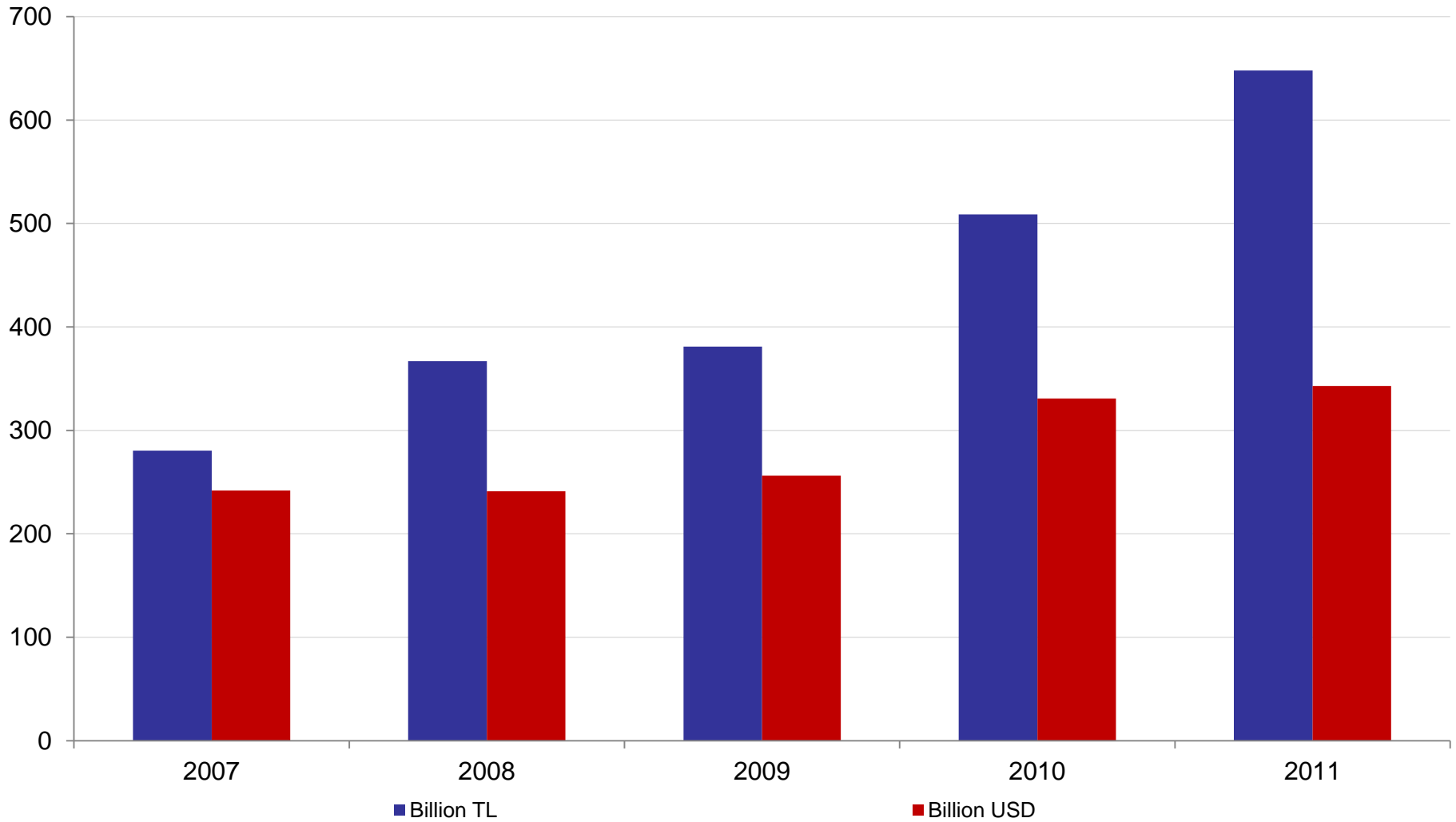
Source: BRSA

Financial Assets and Liquid Assets (Billion USD)



Source: BRSA

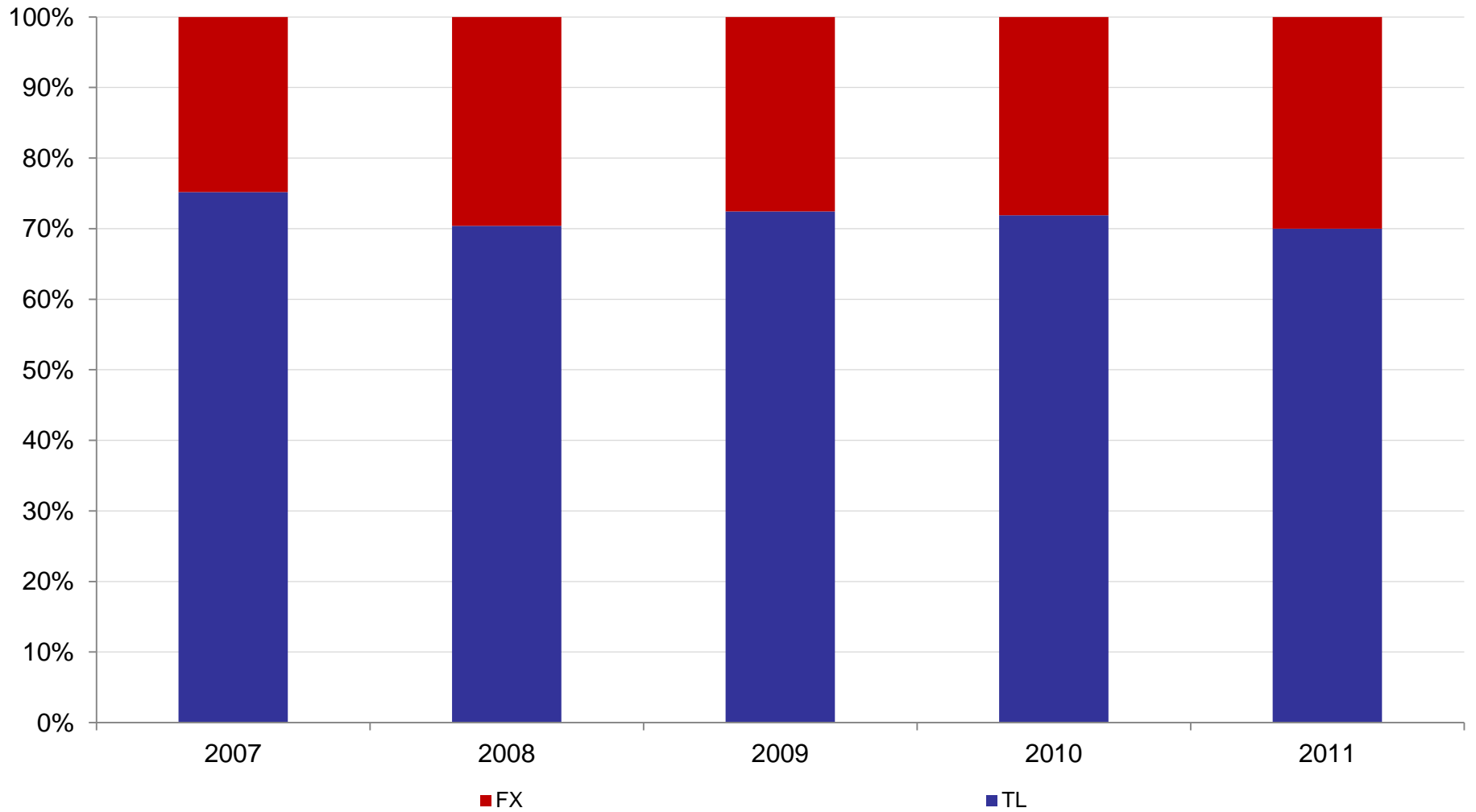
Loans and Receivables



Source: BRSA



Distribution of Loans and Receivables (Percentage)



Source: BRSA

Type of Loans*

(Year over year growth, percent)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total	31	29	8	34	28
Individual	37	25	14	30	29
-Credit Cards	24	29	13	17	26
-Housing	39	21	16	34	22
-Automobile	-6	-9	-16	22	26
-General Purpose	68	34	17	39	37
Corporate	28	31	5	36	28
-SME	29	12	1	46	28

*Participation banks are included.
Source: BRSA

Type of Loans*

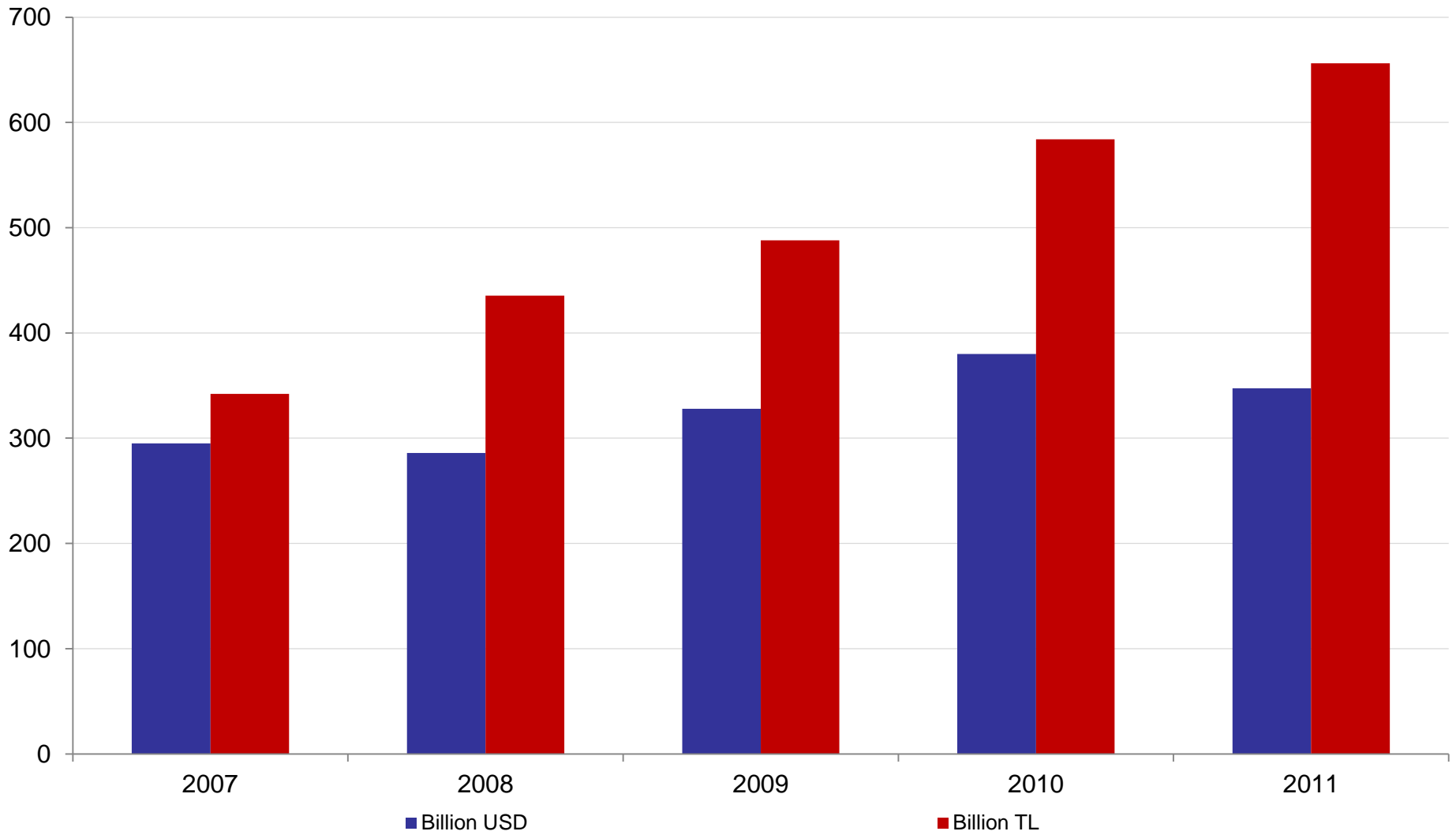
(Year over year growth deflated with PPI, percent)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total	23	19	2	23	13
Individual	30	16	7	20	13
-Credit Cards	18	19	6	8	11
-Housing	32	12	10	24	8
-Automobile	-11	-15	-20	12	12
-General Purpose	58	24	10	28	20
Corporate	21	21	-1	25	13
-SME	21	4	-4	34	13

*Participation banks are included.
Source: BRSA, TurkStat



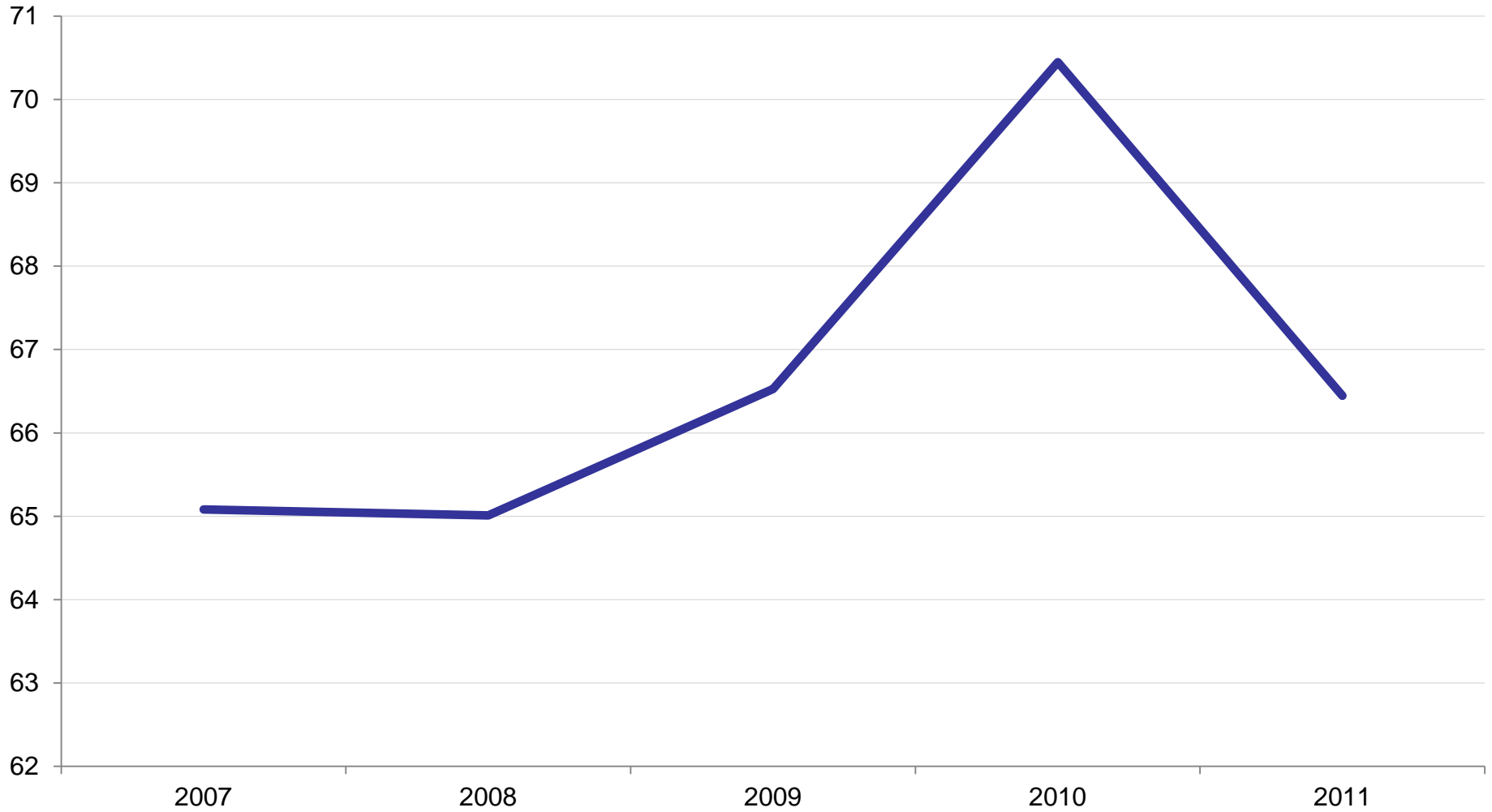
Deposits



Source: BRSA

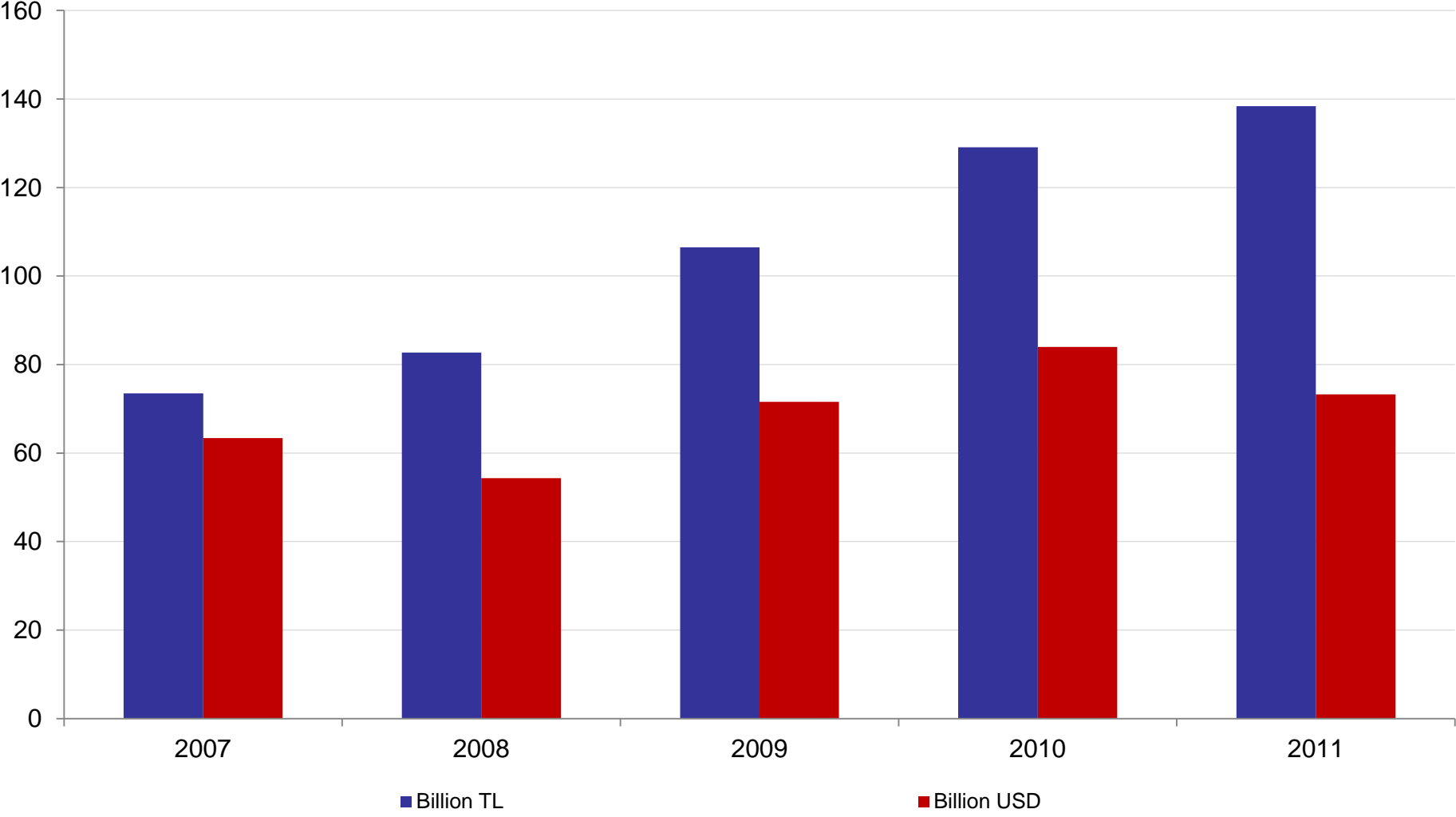


TL Deposits / Total Deposits (Percent)



Source: BRSA

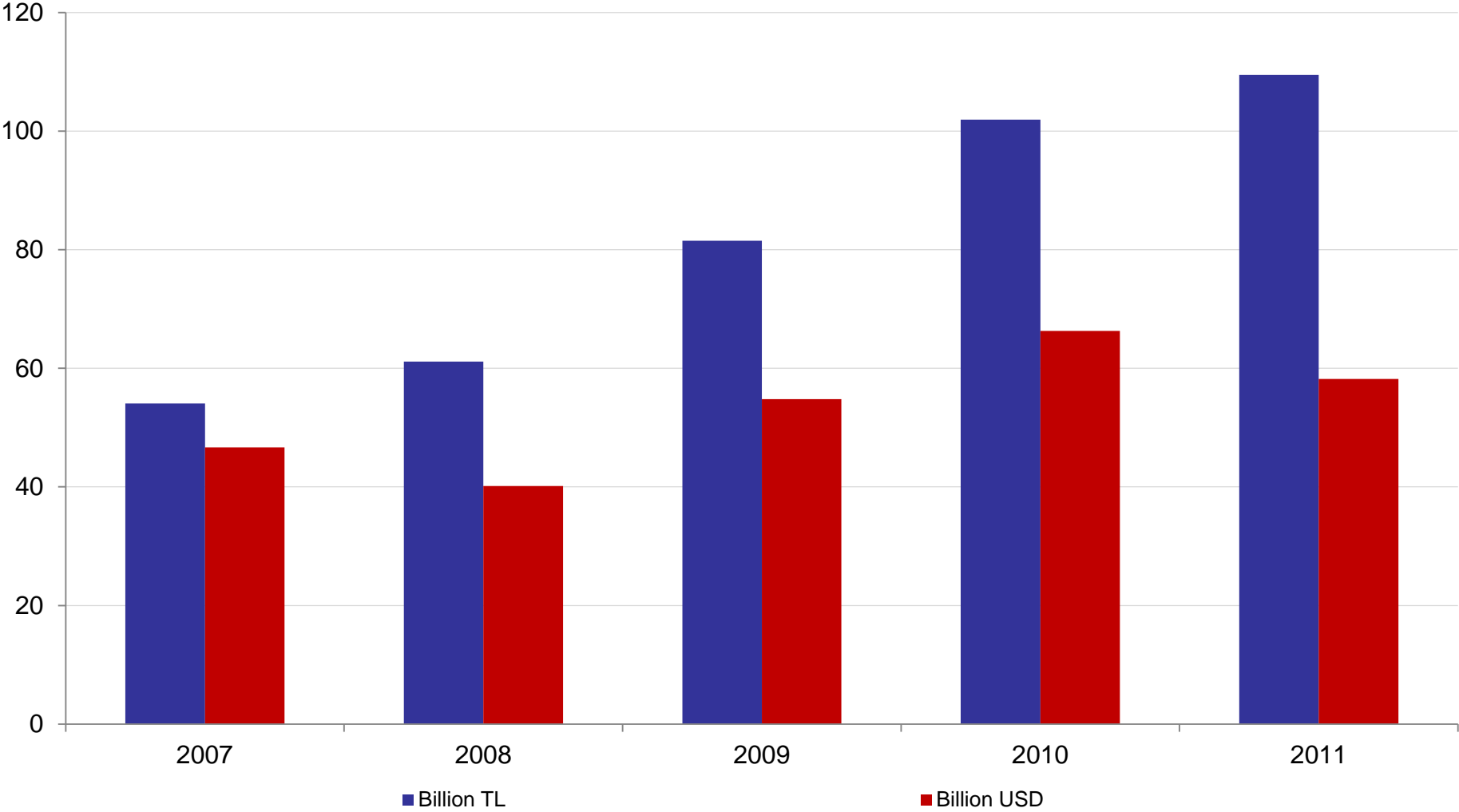
Shareholder's Equity



Source: BRSA



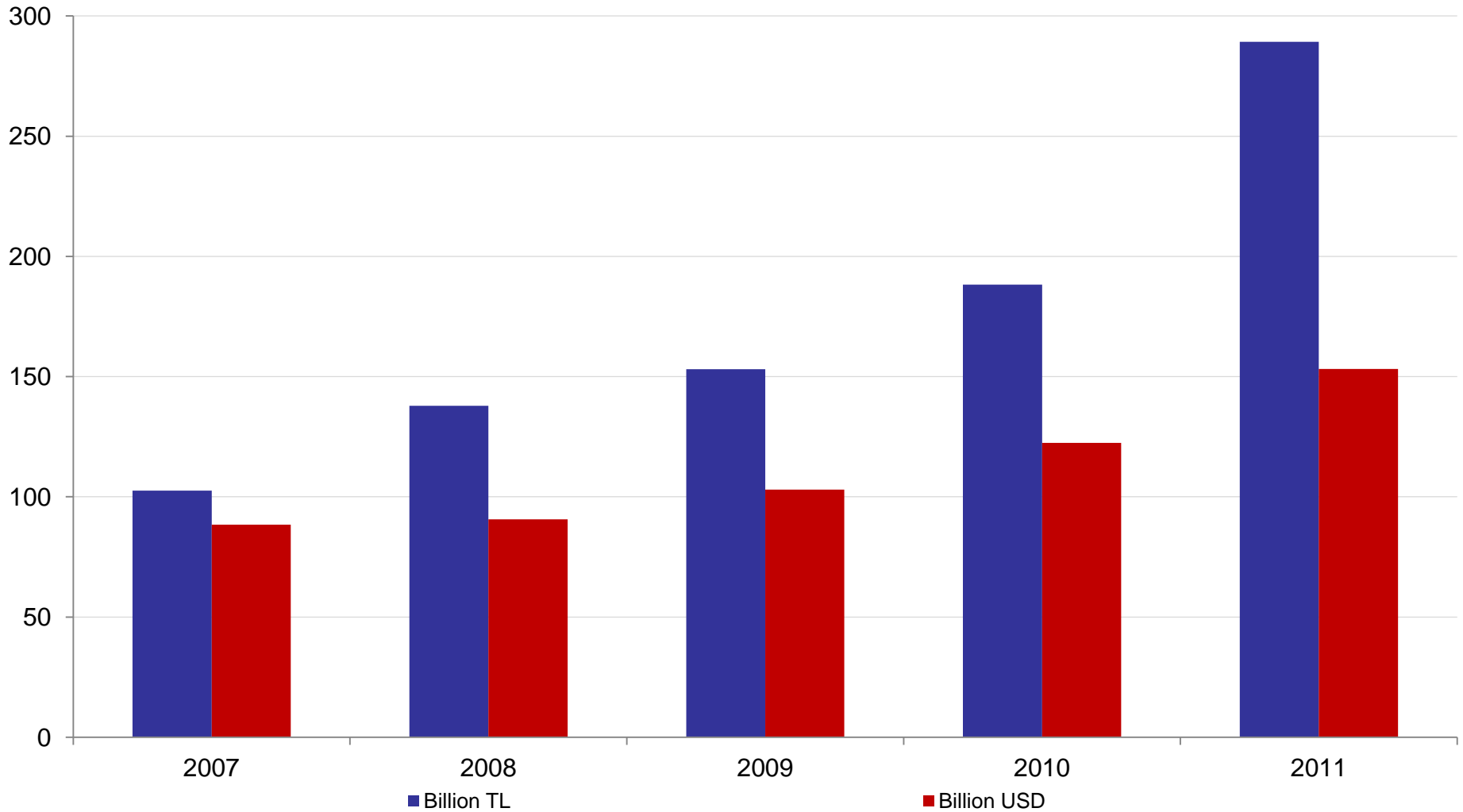
Free Shareholder's Equity



Source: BRSA



Non Deposit Funds

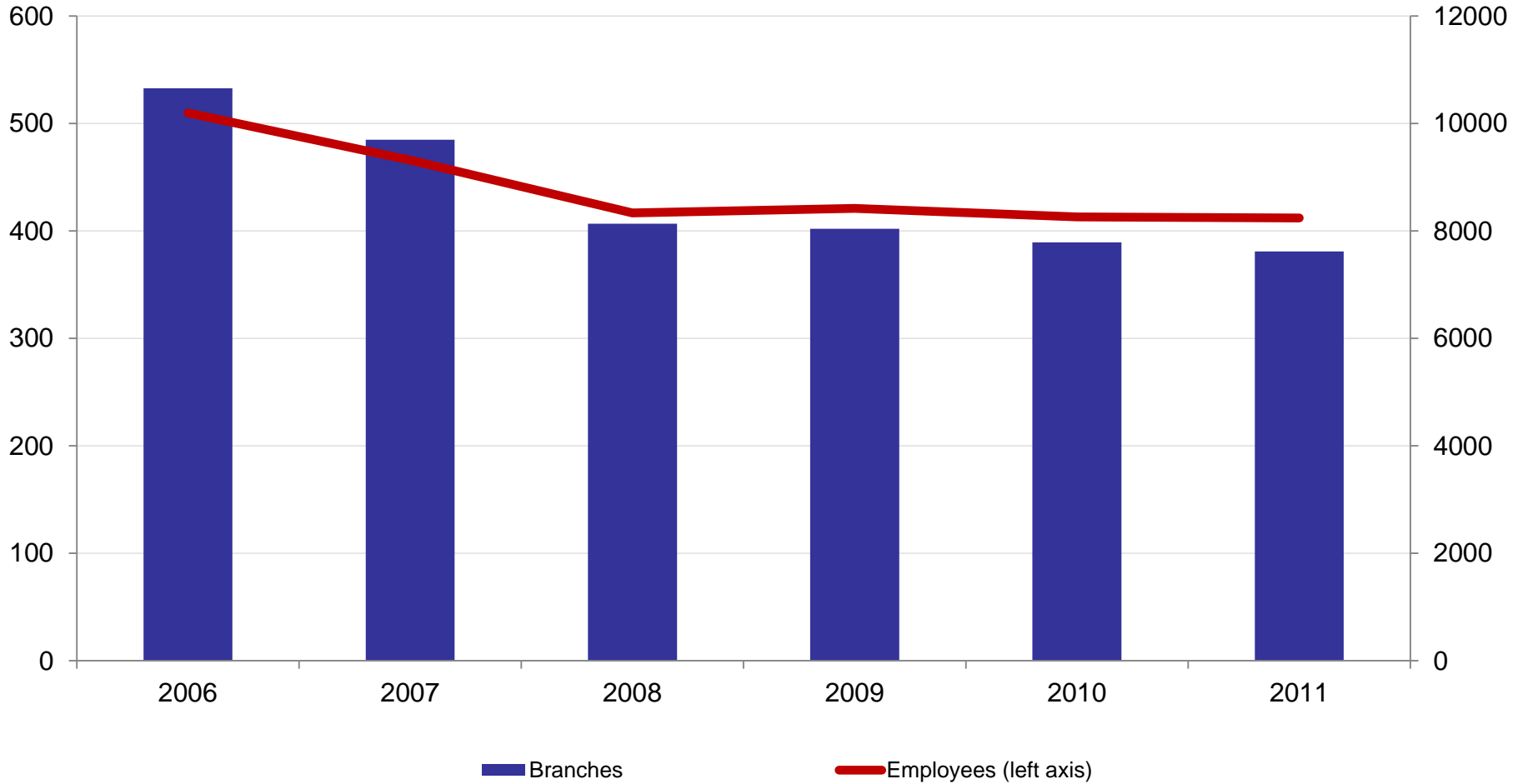


Source: BRSA



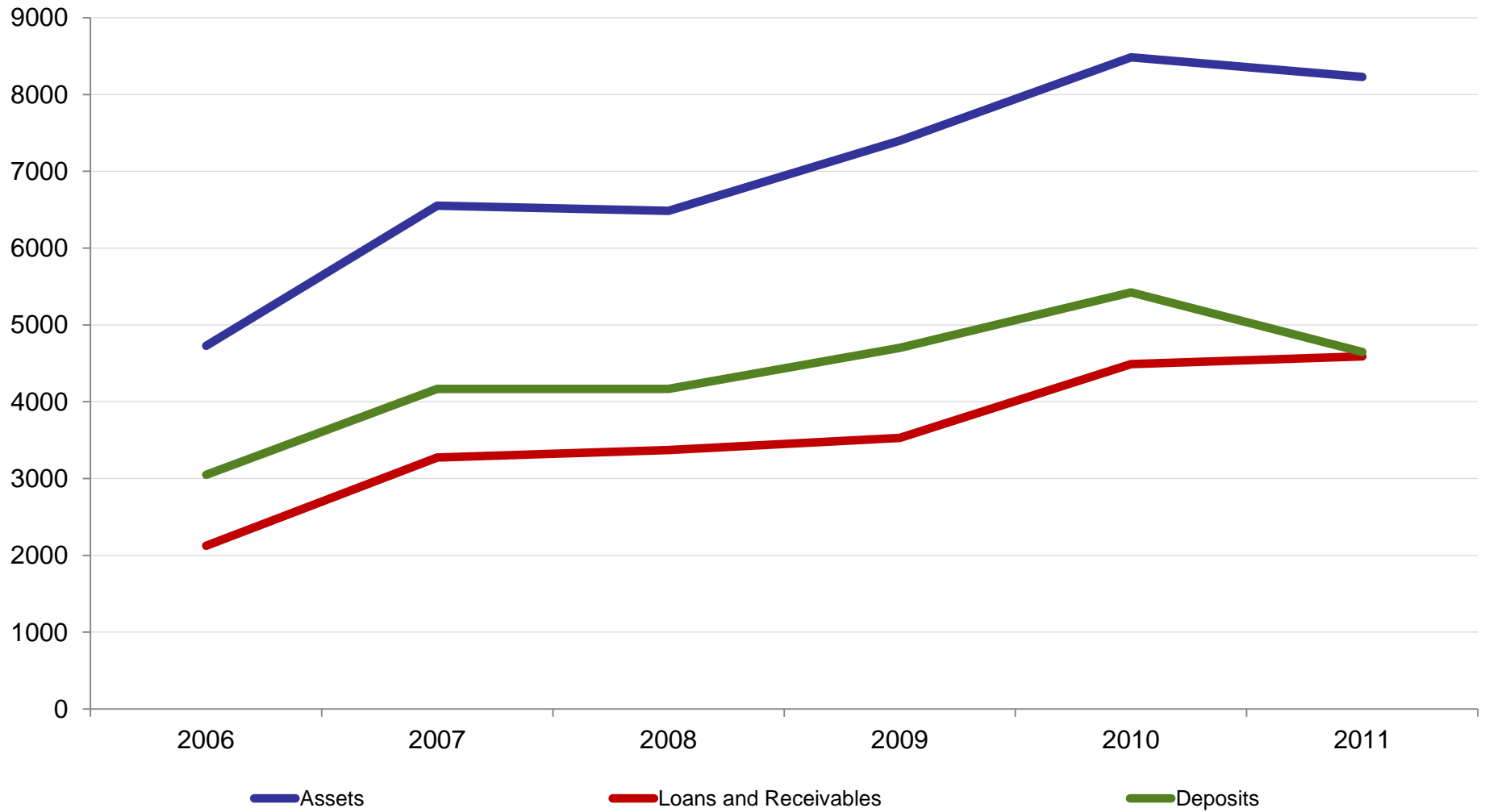
Selected Indicators

Branches and Employees Per Capita (Person)



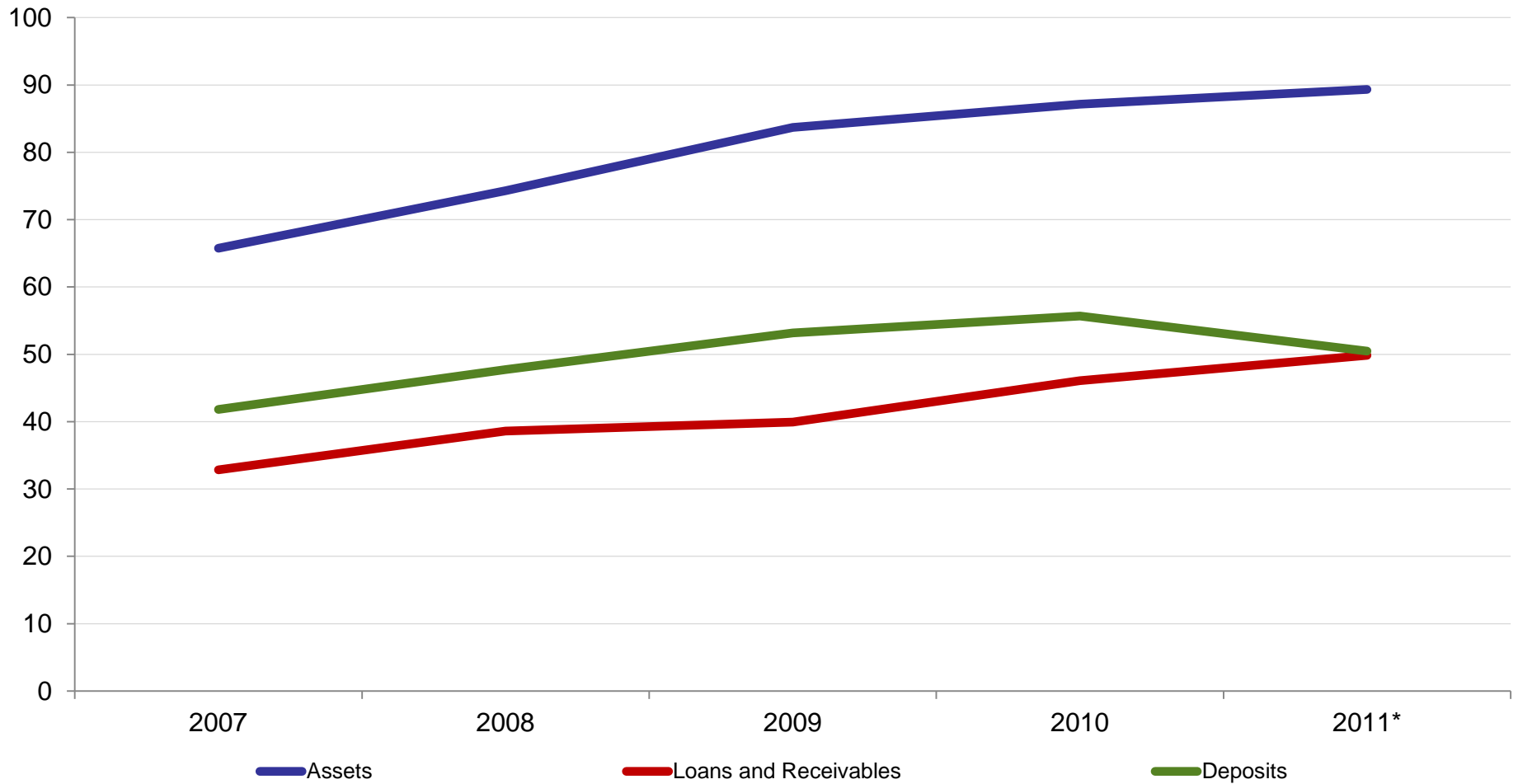
Source: BRSA, TurkStat

Assets, Loans and Receivables, Deposits Per Capita (USD)



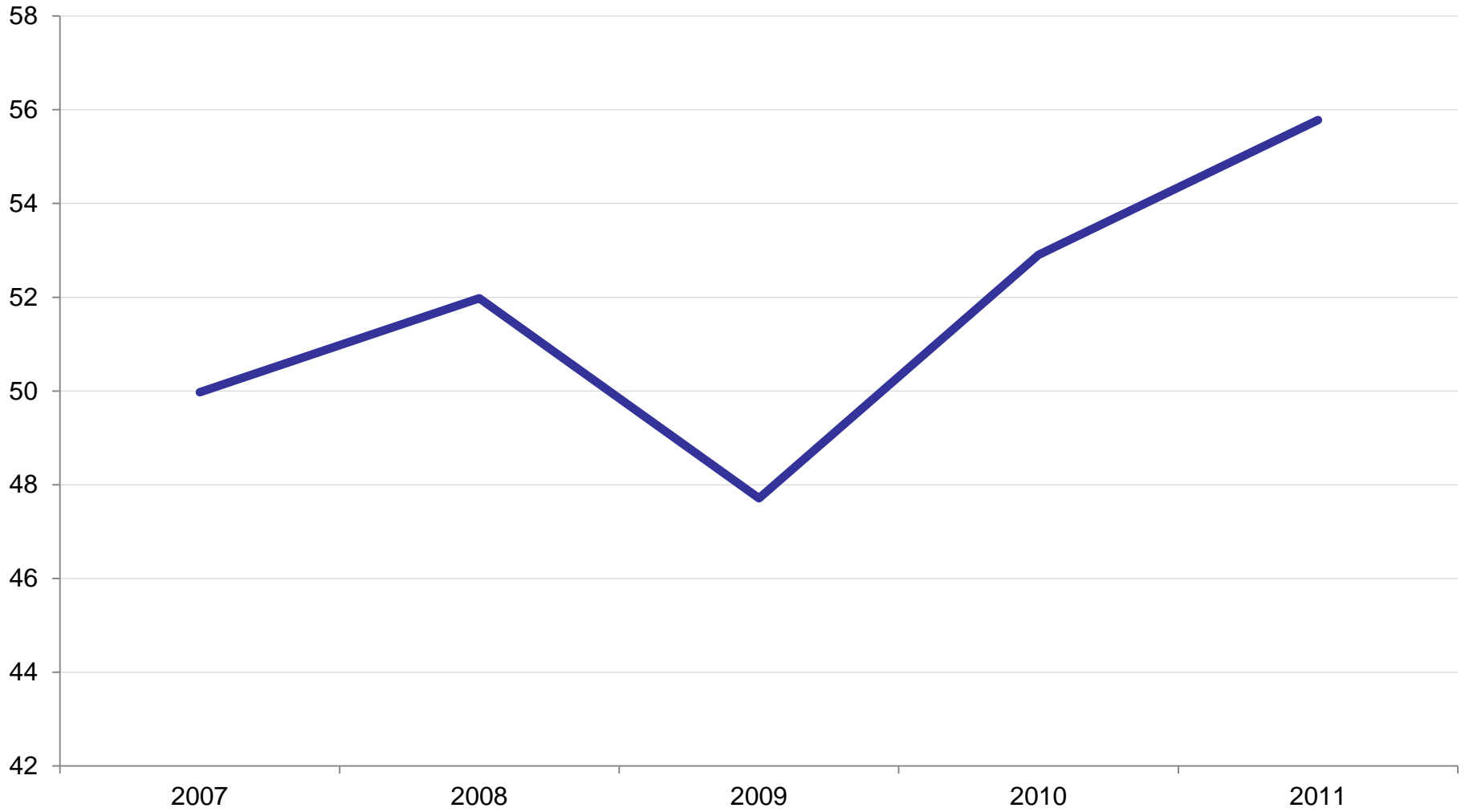
Source: BRSA, TurkStat

Selected Balance Sheet Indicators to Gdp (Percent)



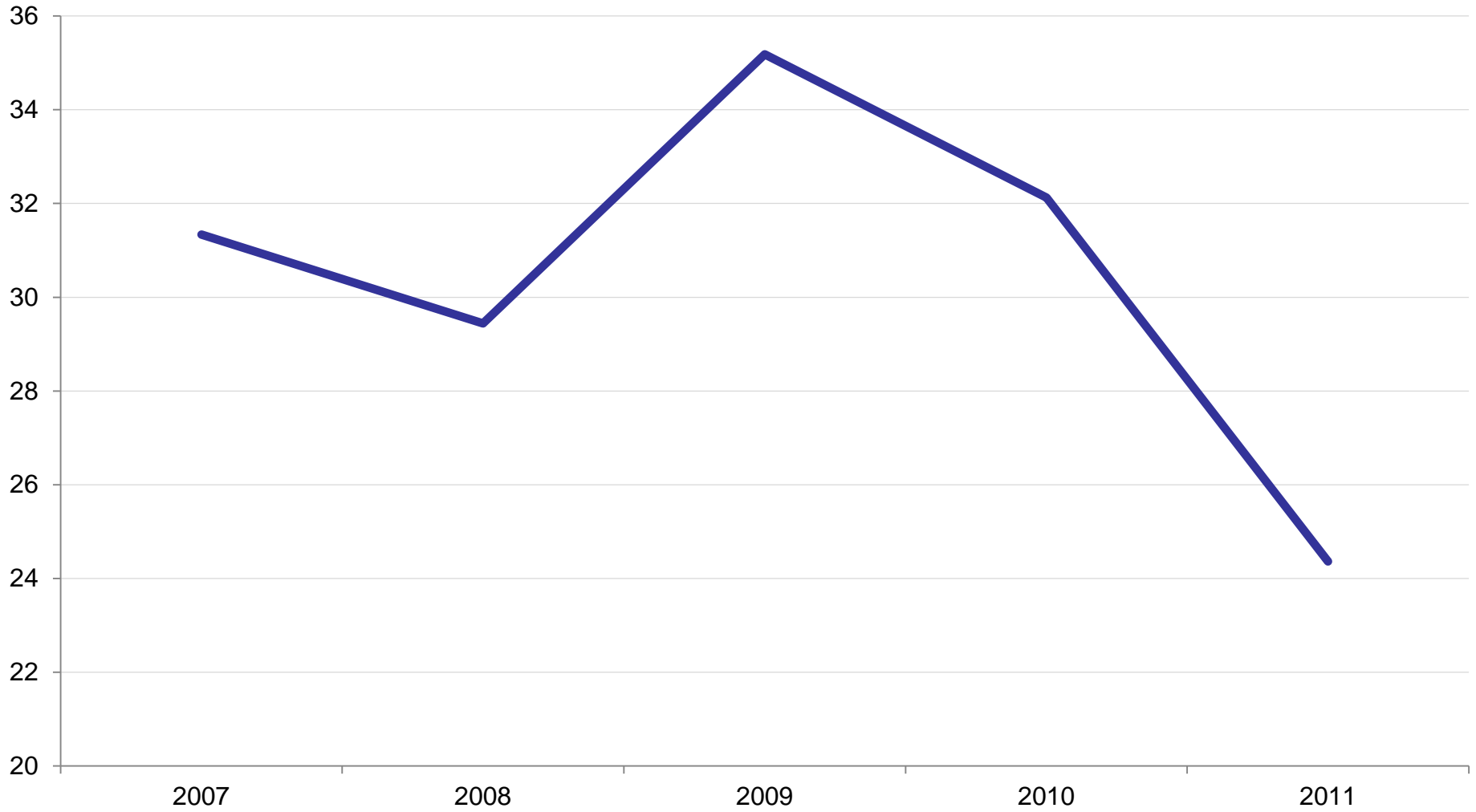
* Gdp is calculated by estimating 8,3 growth rate for 2011.
Source: BRSA, TurkStat

Loans and Receivables / Total Assets (Percent)



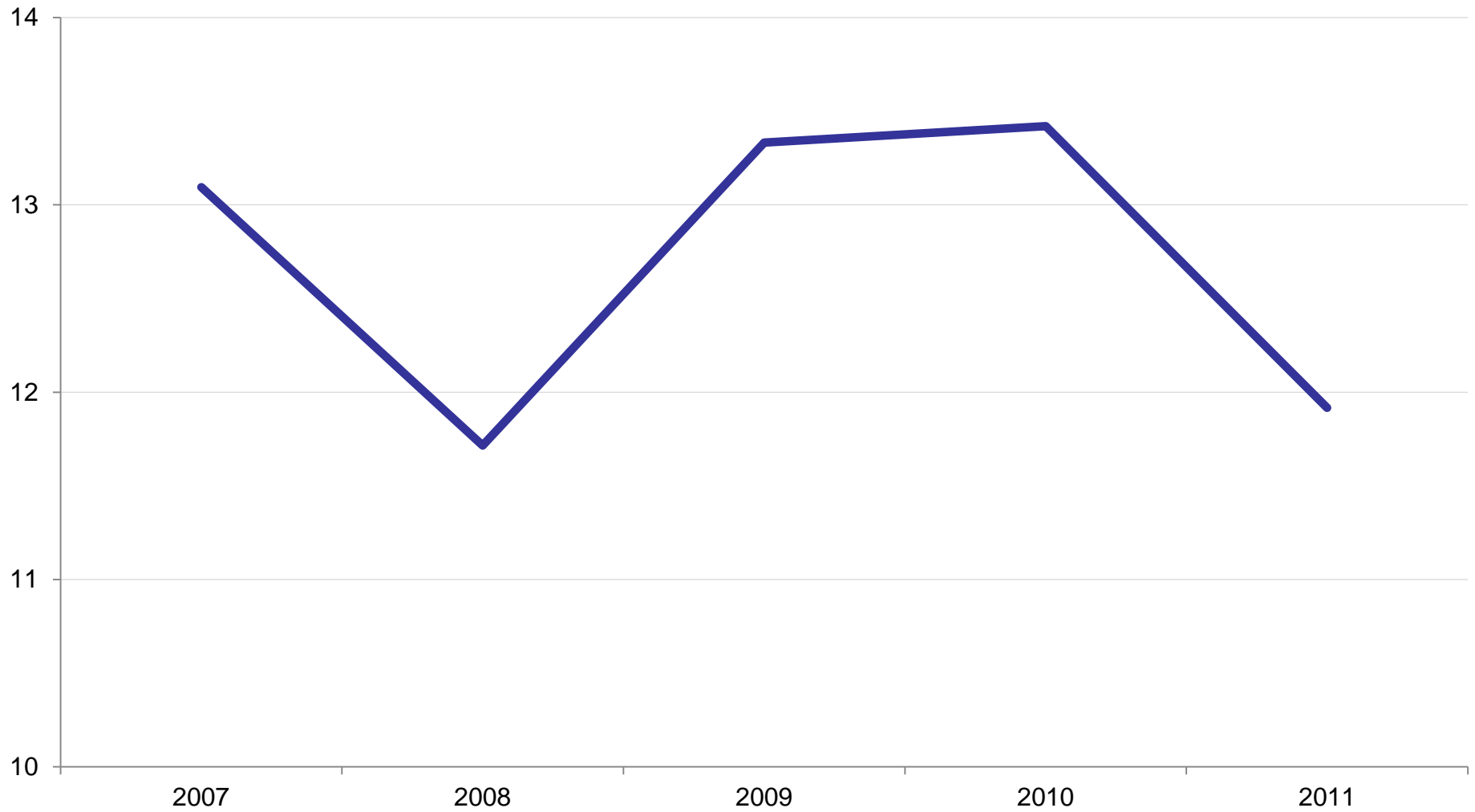
Source: BRSA

Financial Assets / Total Assets (Percent)



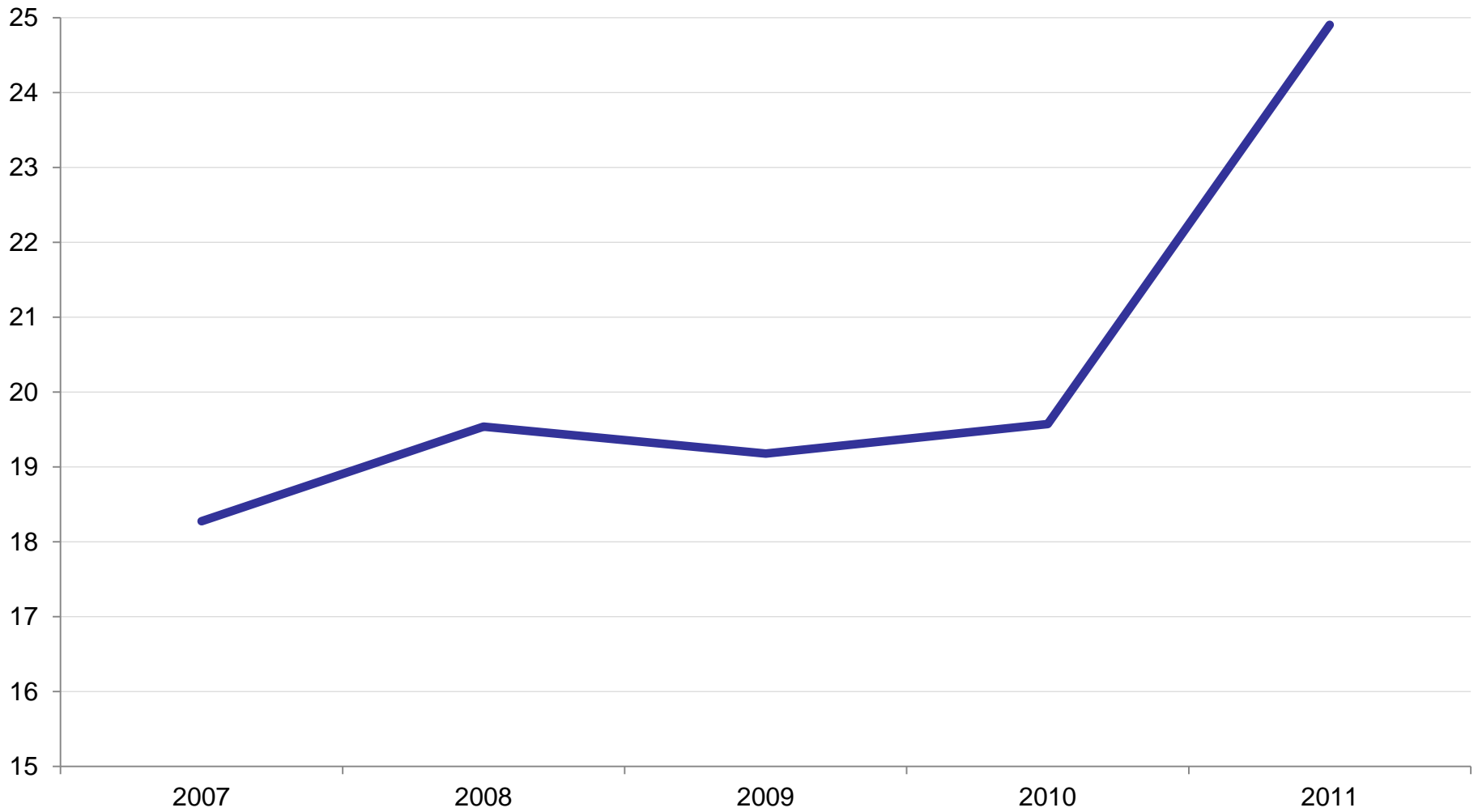
Source: BRSA

Shareholder's Equity / Total Assets (Percent)



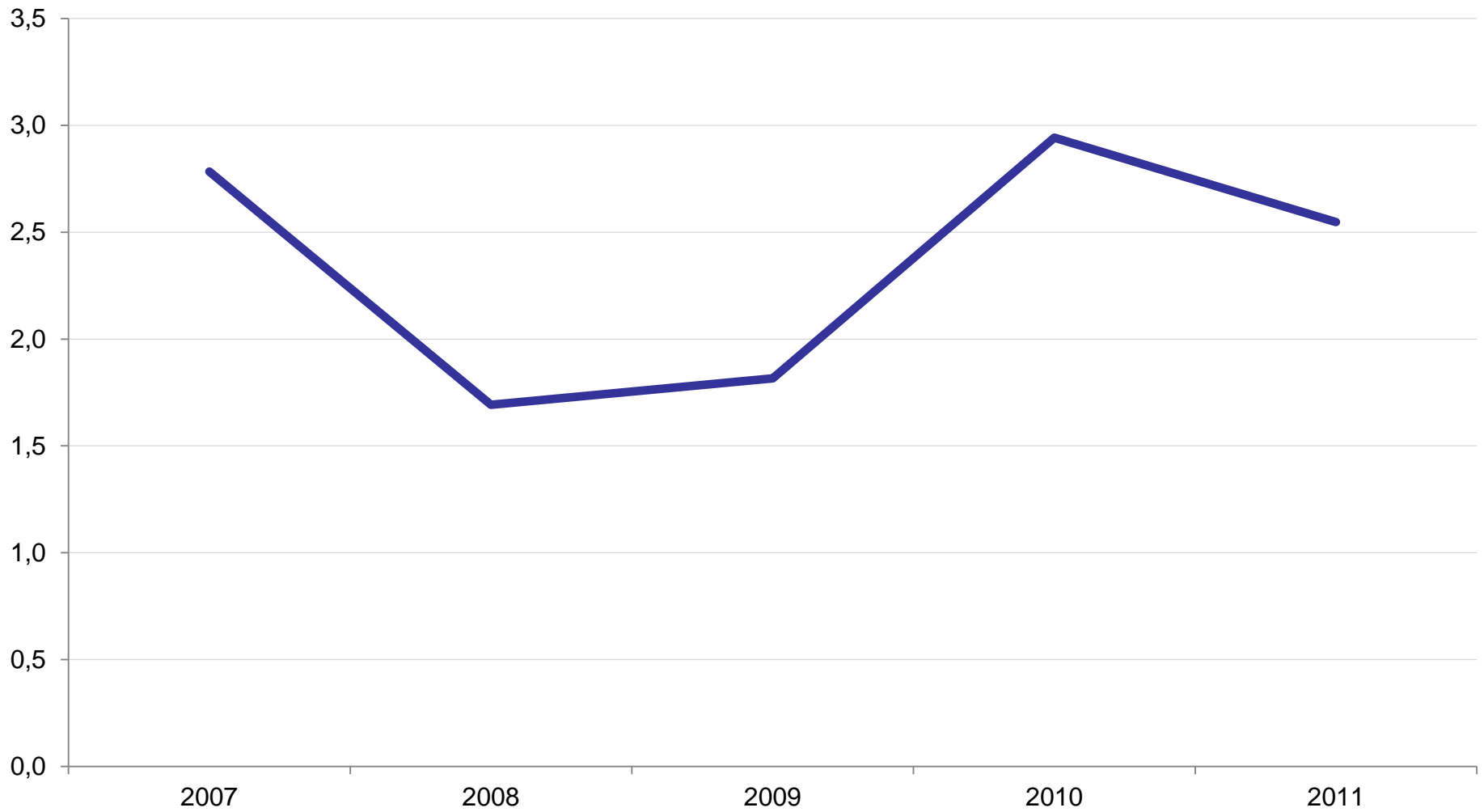
Source: BRSA

Non-Deposit Funds / Total Assets (Percent)



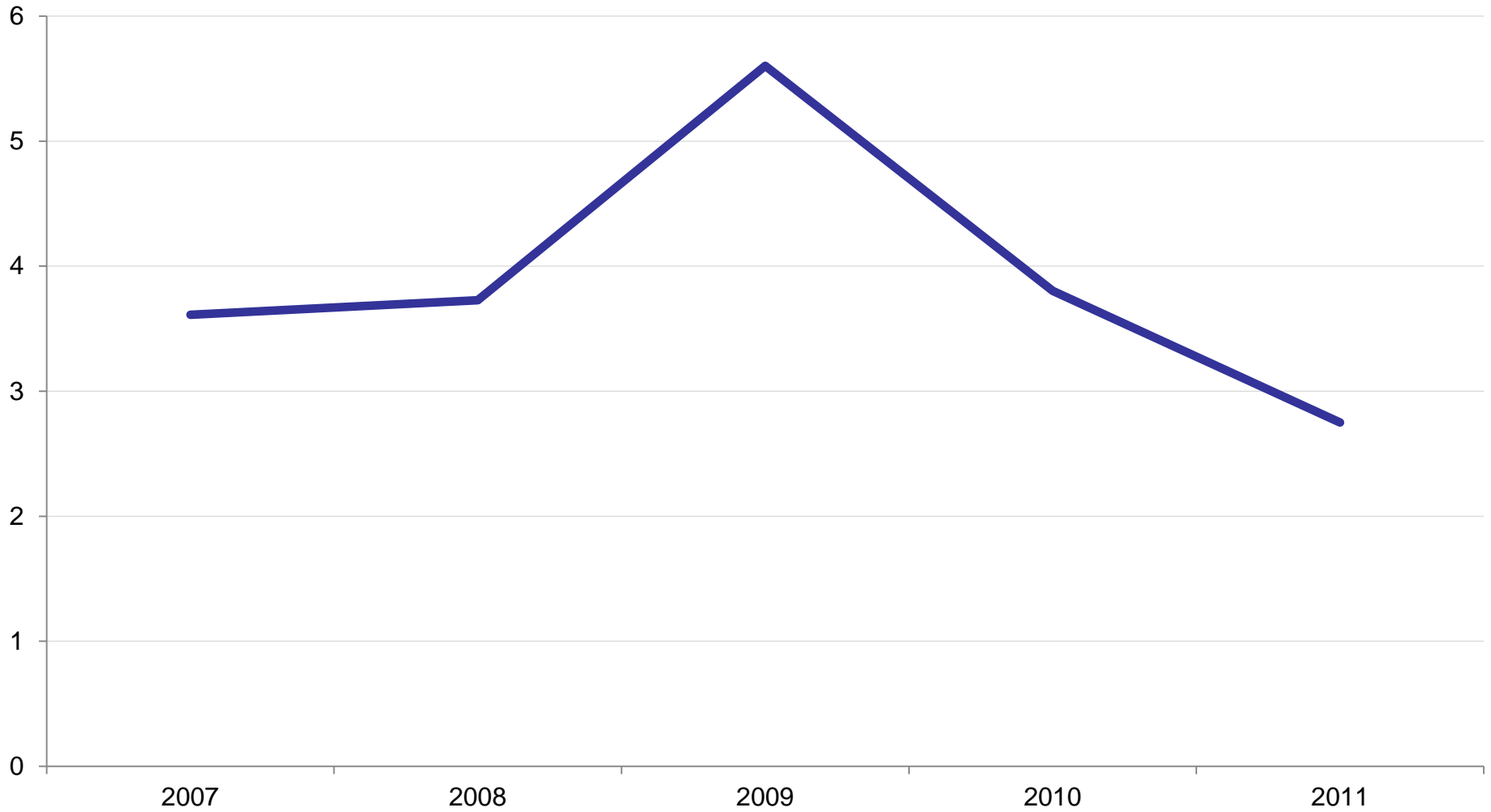
Source: BRSA

Other Assets / Total Assets (Percent)



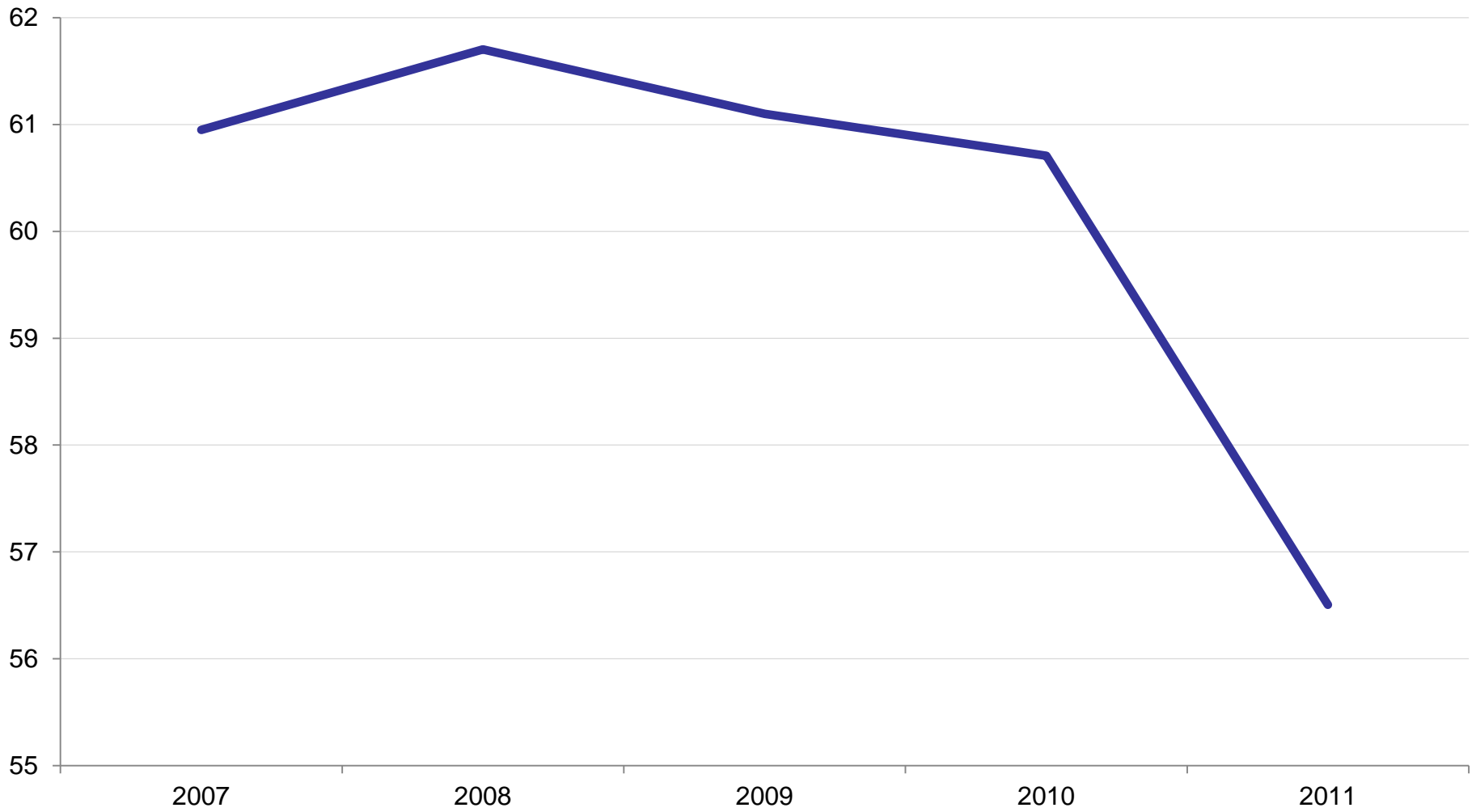
Source: BRSA

Non Performing Loans (Before provisions) / Total Loans and Receivables (Percent)



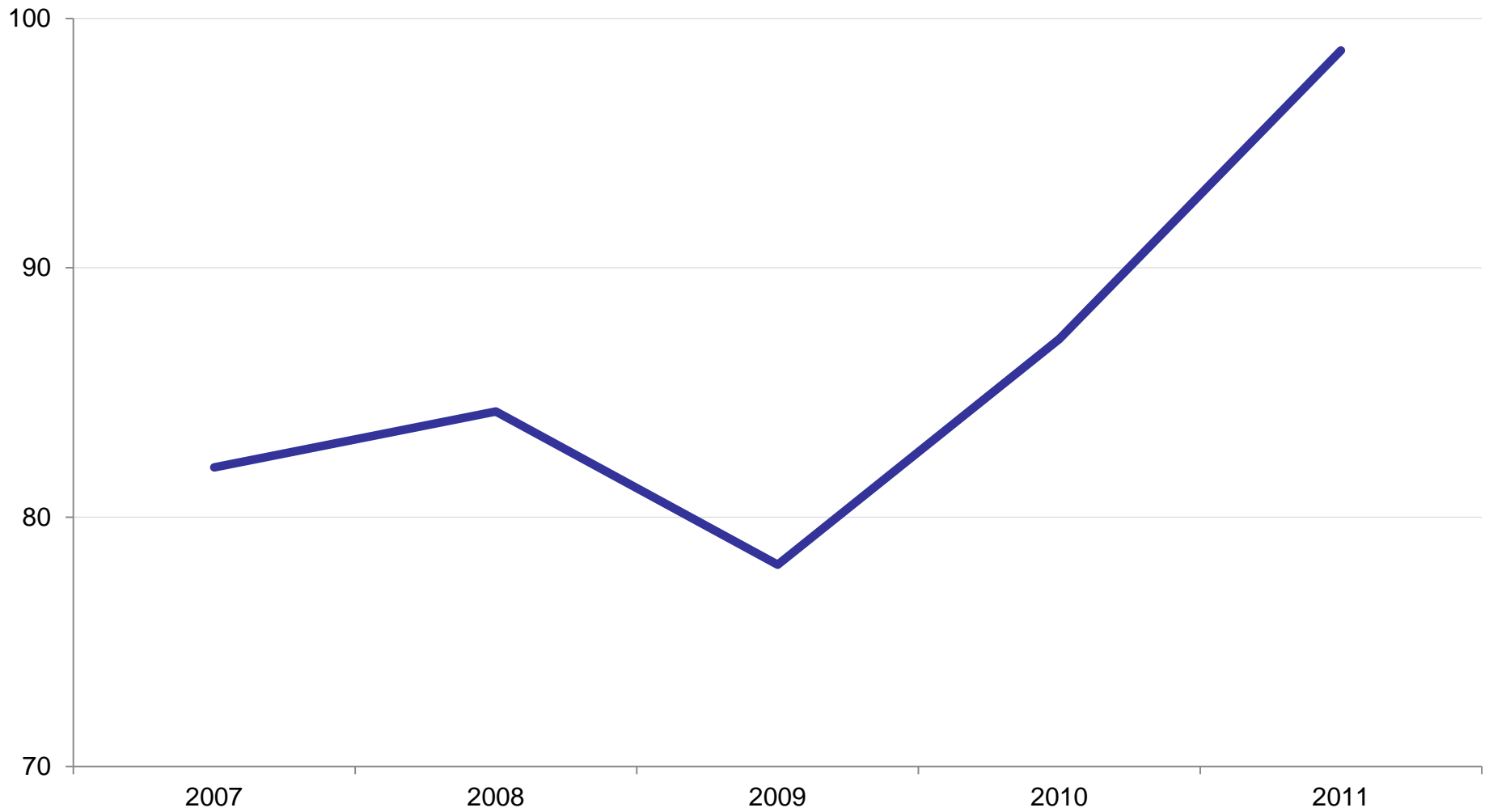
Source: BRSA

Deposits / Total Assets (Percent)



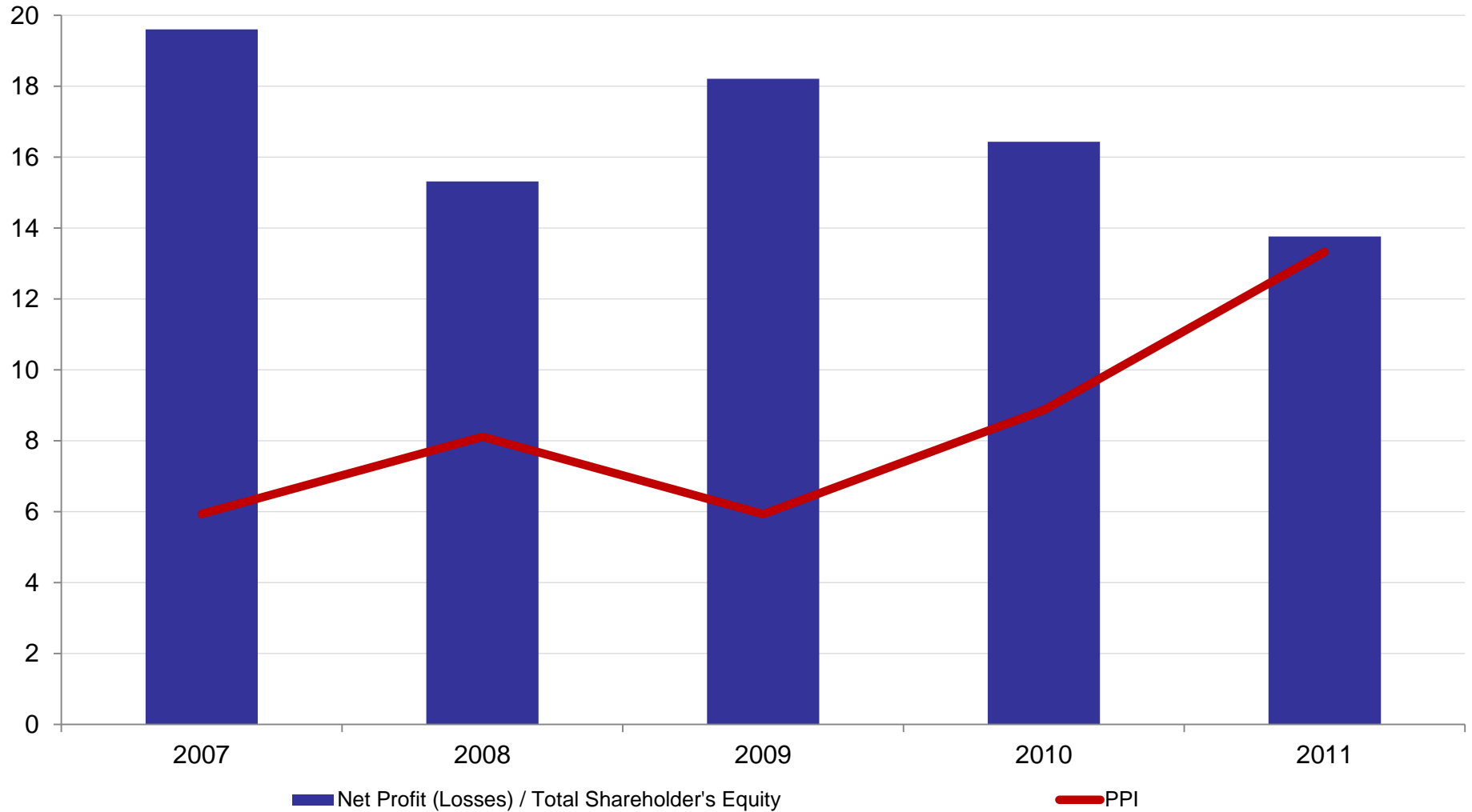
Source: BRSA

Loans and Receivables / Deposits (Percent)



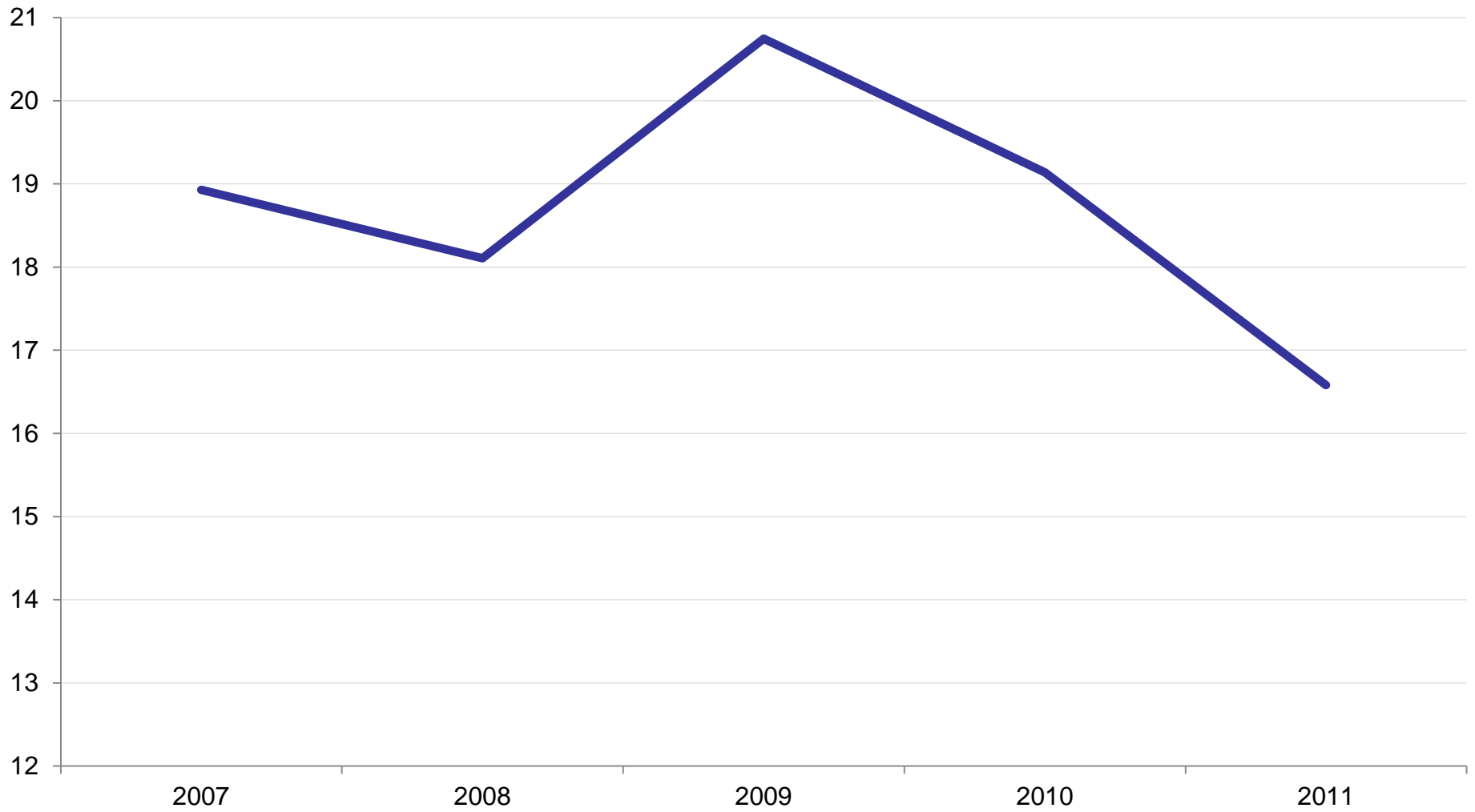
Source: BRSA

Net Profit (Losses) / Total Shareholder's Equity, PPI (Percent)



Source: BRSA, TurkStat

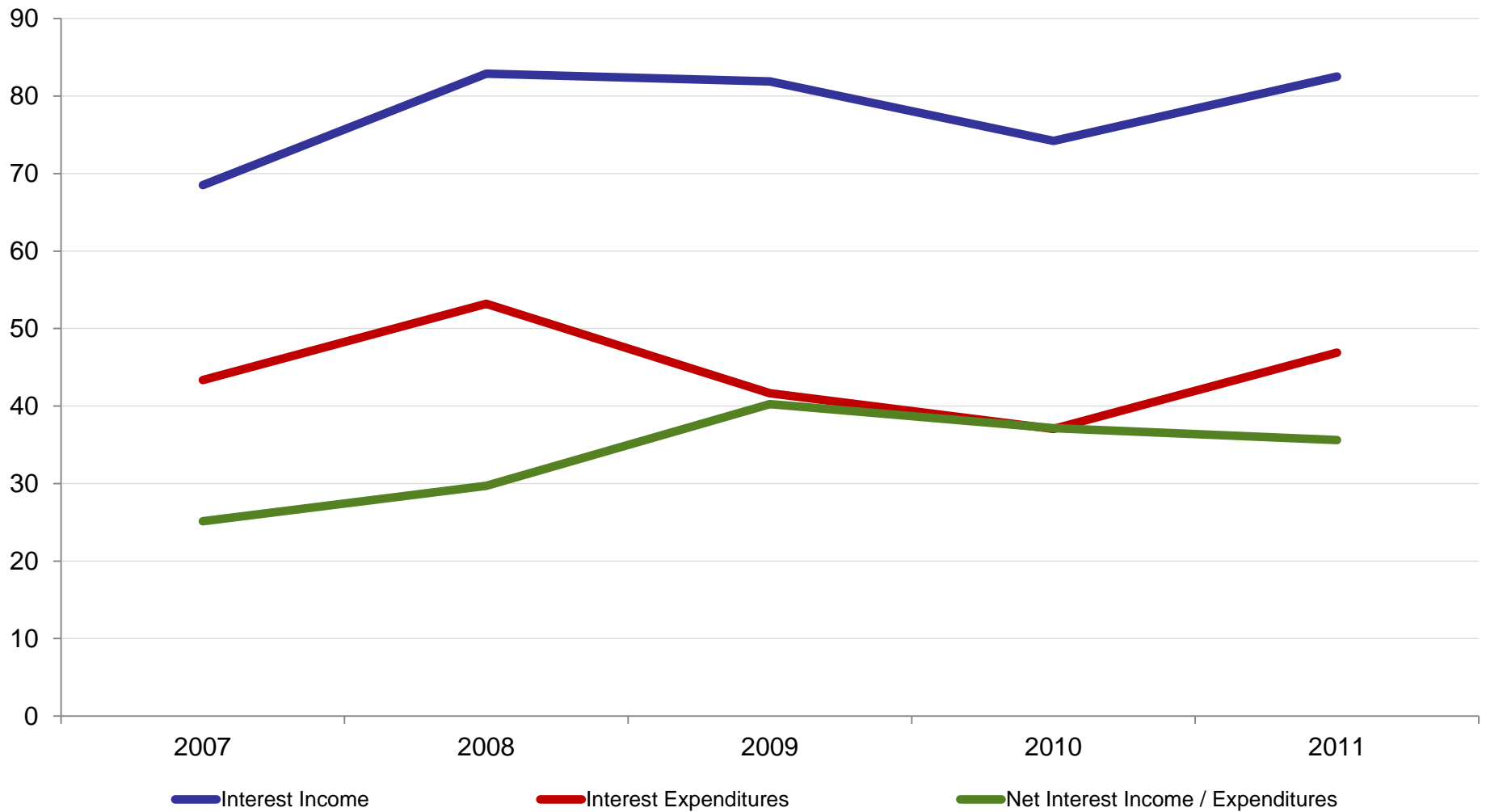
Capital Adequacy Ratio (Percent)



Source: BRSA

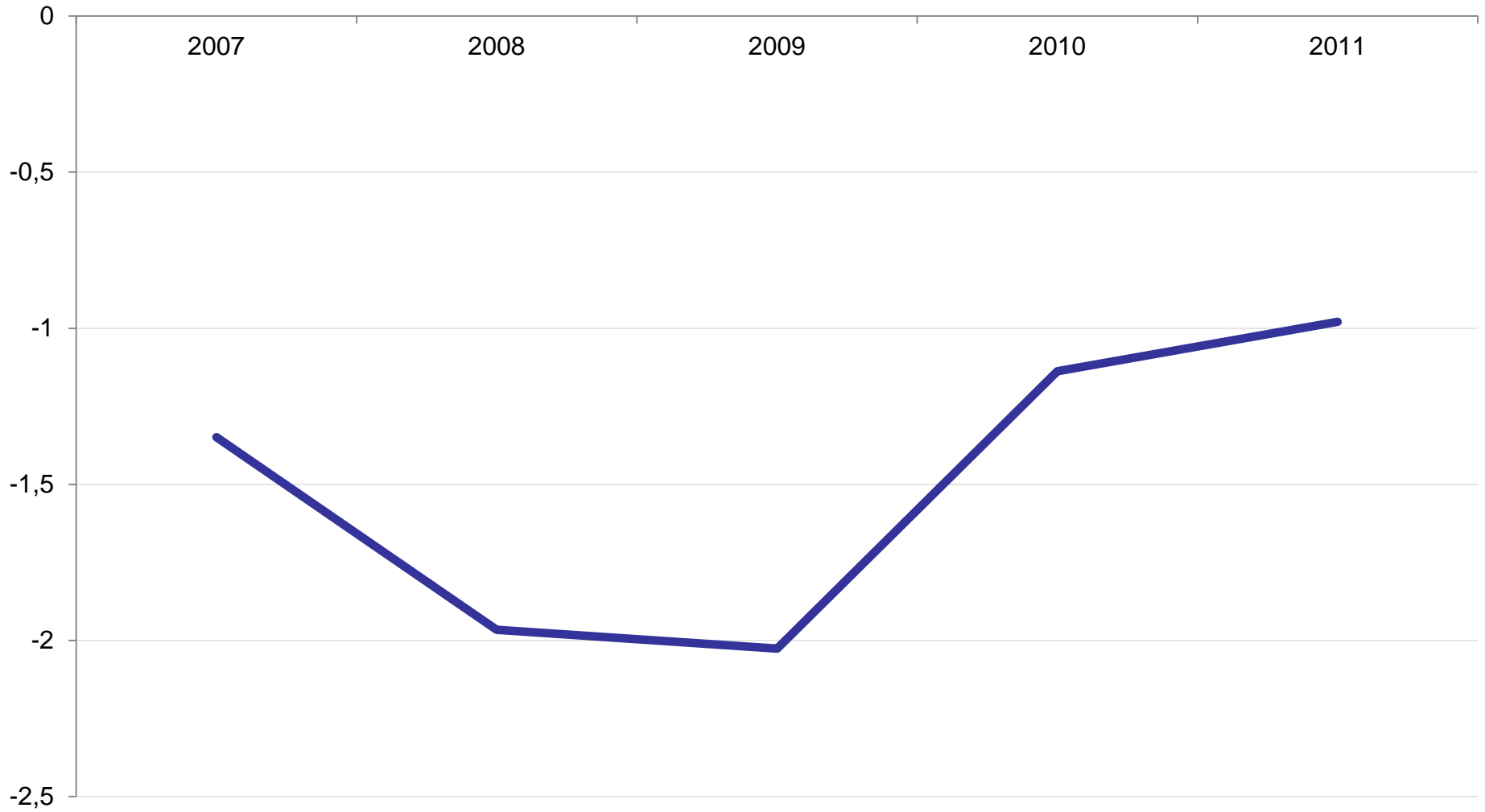
Income / Expenditure Indicators

Interest Income, Interest Expenditure and Net Interest Income to Total Assets (Percent)



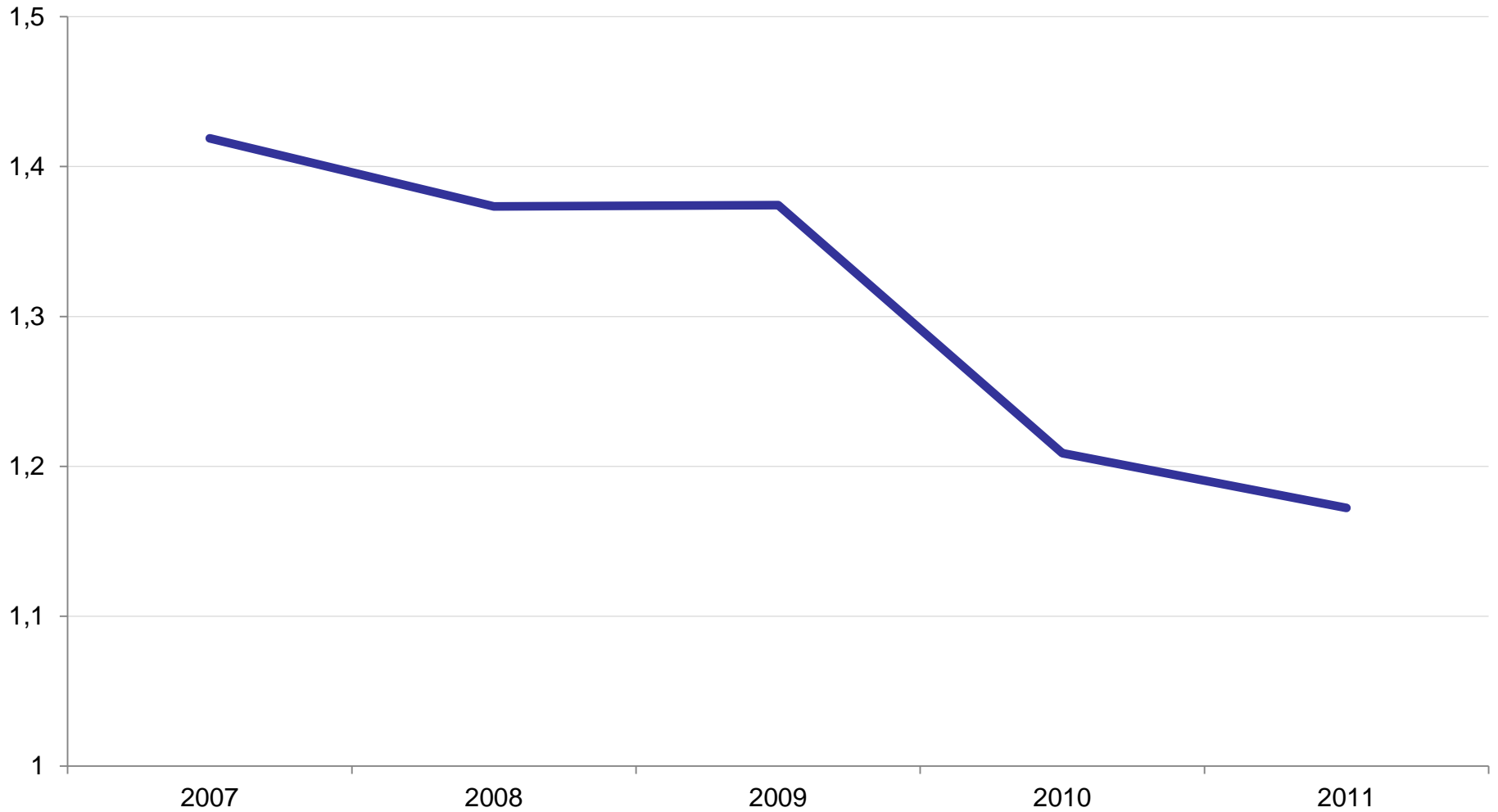
Source: BRSA

Non Interest Income / Total Assets (Percent)



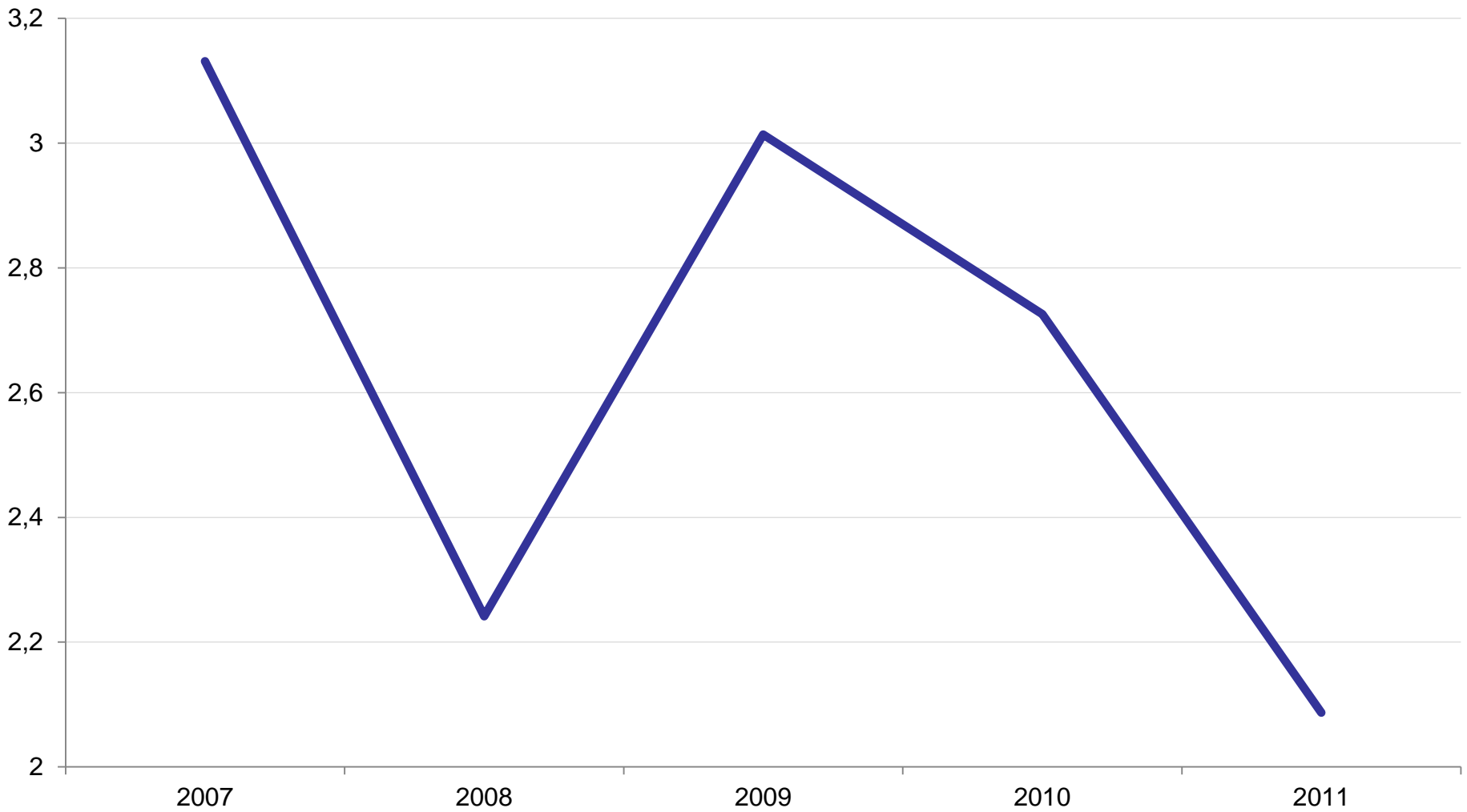
Source: BRSA

Net Fees, Commissions and Banking Services Income / Total Assets (Percent)



Source: BRSA

Net Operating Profit (Loss) / Total Assets (Percent)



Source: BRSA

International Comparison

Capital Adequacy Ratios of G-20 Countries (Percent)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Latest</u>
Turkey¹	18.9	18.0	20.5	19.0	16.4	September
Russia¹	15.5	16.8	20.9	18.1	15.2	September
Argentina	16.9	16.9	18.8	17.7		December
Brasil	18.7	18.2	18.9	17.6	18.2	June
Indonesia¹	19.3	16.8	17.4	17.2	17.0	June
SaudiArabia	20.6	16.0	16.5	17.1		December
Mexico	15.9	15.3	16.5	16.9	16.2	August
Japan²	12.3	12.4	15.8	16.7	13.8	March
Germany	12.9	13.6	14.8	16.1	16.9	September
United Kingdom	12.6	12.9	14.8	15.9		December
Canada	14.8	12.2	14.7	15.6	16.3	June
USA¹	12.8	12.8	14.3	15.3	15.0	September
South Africa	12.8	13.0	14.1	14.9	14.9	July
Korea	12.3	12.3	14.4	14.6	14.4	June
India³	12.3	13.0	13.2	13.6	13.5	March
Italy	10.4	10.8	11.1	12.4	12.8	June
France	10.2	10.5	12.4	12.7		December
China	8.4	12.0	11.4	12.2		March
Australia	10.1	11.3	11.9	11.4	11.6	September

1 Basel I

2 For major 11 banks only.

3 Basel I and Basel II being applied simultaneously

Source: IMF, Global Financial Stability Report, September 2011, IMF Stats

Net Profit (Loss) / Shareholder's Equity of G-20 Countries (Percent)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Latest</u>
Turkey	13.0	11.8	13.3	13.4	11.3	September
Russia	13.3	13.6	15.7	14.0	11.8	September
Argentina	13.7	12.9	13.3	11.9	11.2	June
Brasil	11.3	10.7	11.4	11.1	10.7	June
Indonesia	10.2	9.7	10.7	11.4	11.2	June
SaudiArabia	9.9	10.1	11.9	12.6	12.9	June
Mexico	9.6	9.2	10.7	10.4	9.8	August
Japan	4.5	3.6	4.7	4.8		September
Germany	4.3	4.5	4.8	4.3	4.3	September
England	5.5	4.4	5.4	5.4		December
Canada	3.7	3.5	4.5	4.7	4.6	June
USA	10.3	9.3	10.9	11.1	12.6	September
South Africa	8.0	5.7	6.7	7.0	7.4	June
Korea		6.3	7.3	7.6	8.2	June
India	6.4	7.3	7.0	7.1		March
Italy	7.9	7.6	8.0	9.3	5.4	June
France	4.1	4.2	4.6	4.9		December
China	5.7	6.0	5.6	6.1	6.1	March
Australia	5.0	5.4	5.7	5.7	5.5	September

Source: IMF, Global Financial Stability Report, September 2011, IMF Stats

Selected Banking Indicators of EU and Other European Countries (Thousand Euro)

	<u>Assets per Capita</u>		<u>Loans per Capita</u>		<u>Deposits per Capita</u>	
	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>
Luxemburg	1,588	1,503	345	374	531	519
Ireland	293	255	133	94	61	59
Cyprus	172	165	73	76	73	87
Denmark	145	149	92	93	35	36
United Kingdom	138	142	55	57	70	73
Netherlands	135	136	62	59	49	49
Austria	123	117	50	43	39	36
France	118	120	33	37	28	33
Belgium	112	107	42	37	50	50
Germany	91	102	39	40	37	39
Spain	70	70	40	43	35	41
Finland	68	82	25	27	20	22
Italy	62	63	31	34	24	27
Sweden	61	69	24	28	20	25
Portugal	46	48	28	27	18	18
Greece	37	41	20	23	21	19
Czech Rep.	15	16	8	8	10	11
Hungary	11	12	7	7	5	5
Lithuania	7	7	5	5	3	4
Poland	7	8	4	5	4	4
Turkey	5	7	2	4	3	4
Bulgaria	5	5	3	3	3	3
Romania	4	4	2	2	2	2
Ukraine	2	2	1	1	1	1

Source: EBF

Selected Banking Indicators of EU and Other European Countries (Percent)

	<u>Assets to Gdp</u>		<u>Loans to Gdp</u>		<u>Deposits to Gdp</u>	
	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>
Luxemburg	2,118	1,849	460	460	708	639
Cyprus	810	759	341	352	343	400
Ireland	799	759	361	281	166	175
United Kingdom	549	521	217	210	278	269
France	401	405	112	124	94	110
Netherlands	390	382	179	167	141	137
Austria	377	342	154	127	120	107
Denmark	360	353	228	221	86	86
Belgium	359	330	133	115	159	156
Germany	310	332	132	129	127	127
Spain	308	306	175	187	153	178
Portugal	293	293	175	167	114	113
Italy	246	246	124	132	93	105
Finland	212	244	77	80	63	65
Sweden	195	188	78	76	65	67
Greece	176	201	96	112	98	91
Hungary	124	123	79	76	50	50
Czech Rep.	115	115	59	60	76	77
Bulgaria	107	105	76	72	65	67
Ukraine	102	86	73	65	48	38
Lithuania	91	86	64	62	43	48
Turkey	85	89	39	50	52	47
Poland	83	83	49	56	44	48
Romania	67	65	41	40	34	34

Source: EBF

Selected Indicators of Financial Sector to Gdp Ratios Comparison with World and Emerging Countries (Percent)

	2001			2002			2008			2009			2010		
	World	EM	TR	World	EM	TR	World	EM	TR	World	EM	TR	World	EM	TR
Banks Assets	256	140	69	264	145	61	160	87	75	159	89	87	159	89	91
Capital Markets	228	60	80	203	59	59	192	79	47	241	98	71	238	99	75
Equities	93	27	28	69	25	16	55	42	19	82	55	37	88	58	43
Bonds and Bills	135	33	51	135	35	43	137	38	28	159	42	35	151	41	32
Public	71	21	51	51	20	43	52	23	28	63	27	35	66	26	32
Private	63	11	0	83	14	0	85	15	0	96	15	0	85	16	1
Total	484	199	149	468	205	120	352	167	121	400	186	159	397	189	166

Source: IMF, Global Financial Stability Report, September 2011

Comparison with World and Emerging Countries (Percent)

	2001		2002		2009		2010	
	TR/ World	TR/ EM*	TR/ World	TR/ EM	TR/ World	TR/ EM	TR/ World	TR/ EM
Banks Assets	0.21	1.65	0.17	1.34	0.59	3.38	0.67	3.49
Capital Markets	0.27	4.45	0.21	3.18	0.32	2.51	0.37	2.59
Equities	0.24	3.49	0.17	2.06	0.48	2.29	0.57	2.51
Bonds and Bills	0.29	5.25	0.23	3.98	0.23	2.80	0.25	2.69
Public	0.56	8.10	0.61	6.85	0.59	4.36	0.57	4.25
Private	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.12
Total	0.24	2.49	0.19	1.87	0.42	2.92	0.49	3.01
Gdp	0.77	3.33	0.72	3.19	1.07	3.44	1.17	3.41

* Emerging Markets

Source: IMF, Global Financial Stability Report, September 2011

Remarks

- Net Interest Income / Expenditure: Interest Income – Interest Expenditures
- Free Shareholder's Equity: Shareholder's Equity - (Fixed Assets + Non Performing Loans (net))
- Non Deposit Funds: Payables to the Central Bank + Payables to money market + Payables to banks + Funds from Repo transactions + Funds + Securities issued
- Net Non Interest Income (Expenditure) : Net Operating Profit (Loss) – Net Interest Income (Expenditure)
- Net Fees and Commissions (Expenditure) : Fees and commissions provided from loans – Fees and commissions paid
- Other Assets: Includes all balance sheet asset accounts not covered specifically in other areas of the activity.