



Banking Sector In Turkey

1960-2019

May 2020

-
- ▶ 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. SNL 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 Banking Sector in Turkey. The study will be updated once a year.
 - ▶ Any ideas and suggestions are welcome and important for the improvement of the study.

For your ideas and suggestions:

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Banking Sector in Turkey

- ▶ As of December 2019 there are 51 banks in total. 32 of them being deposit. 13 development and investment and 6 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 there to by their special Laws.



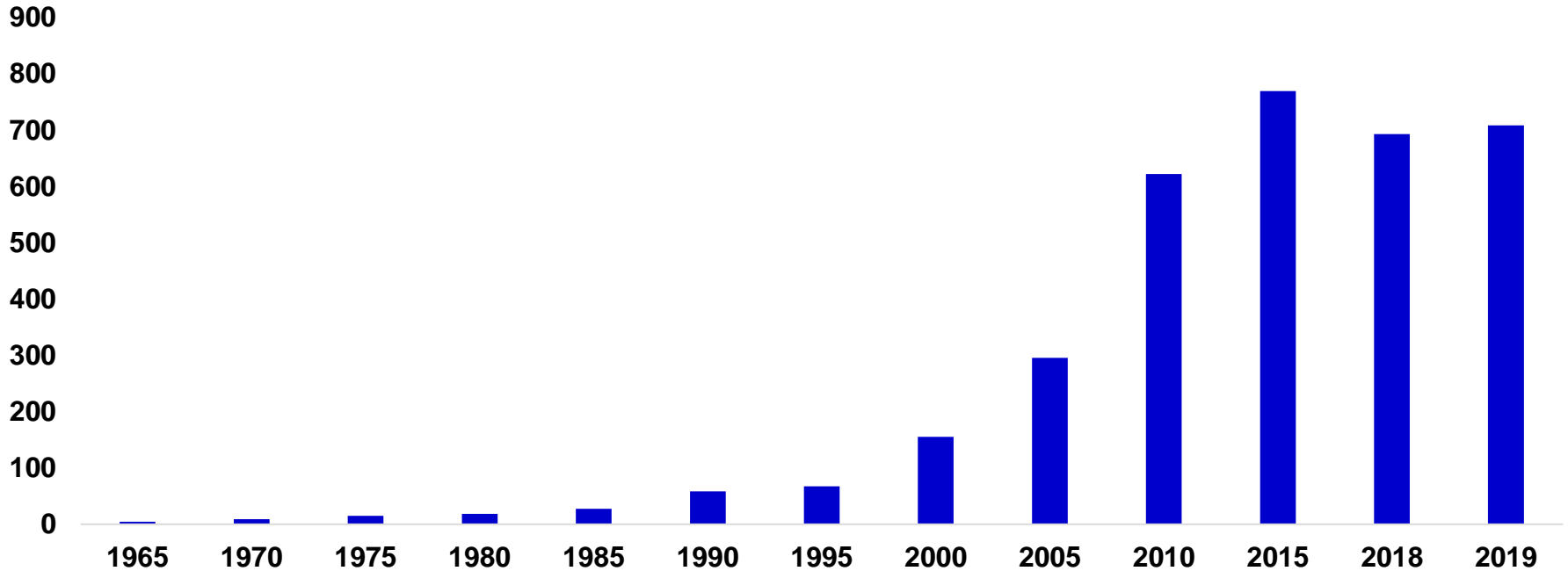
Index

- ▶ Balance Sheet Indicators
- ▶ Selected Indicators
- ▶ Income/Expenditure Indicators
- ▶ International Comparison
- ▶ General Information

Balance Sheet Indicators



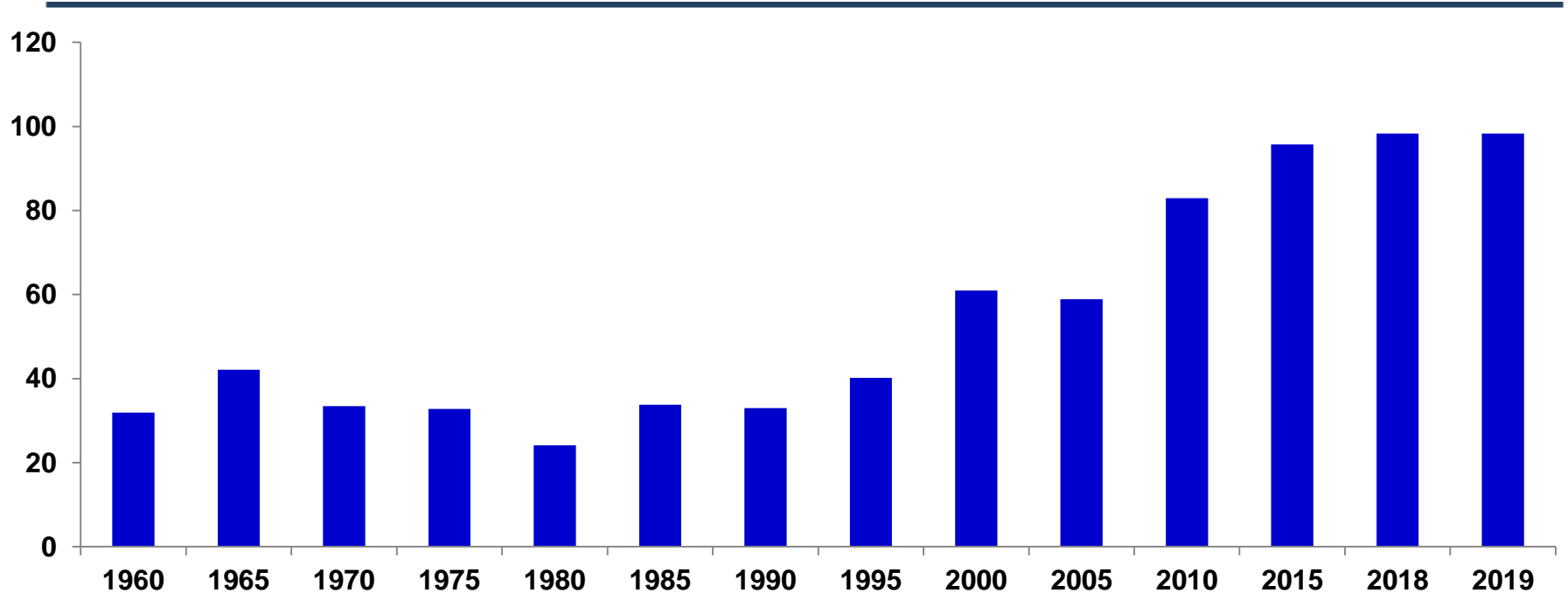
Total Assets (Billion USD)



Source: BRSA, BAT



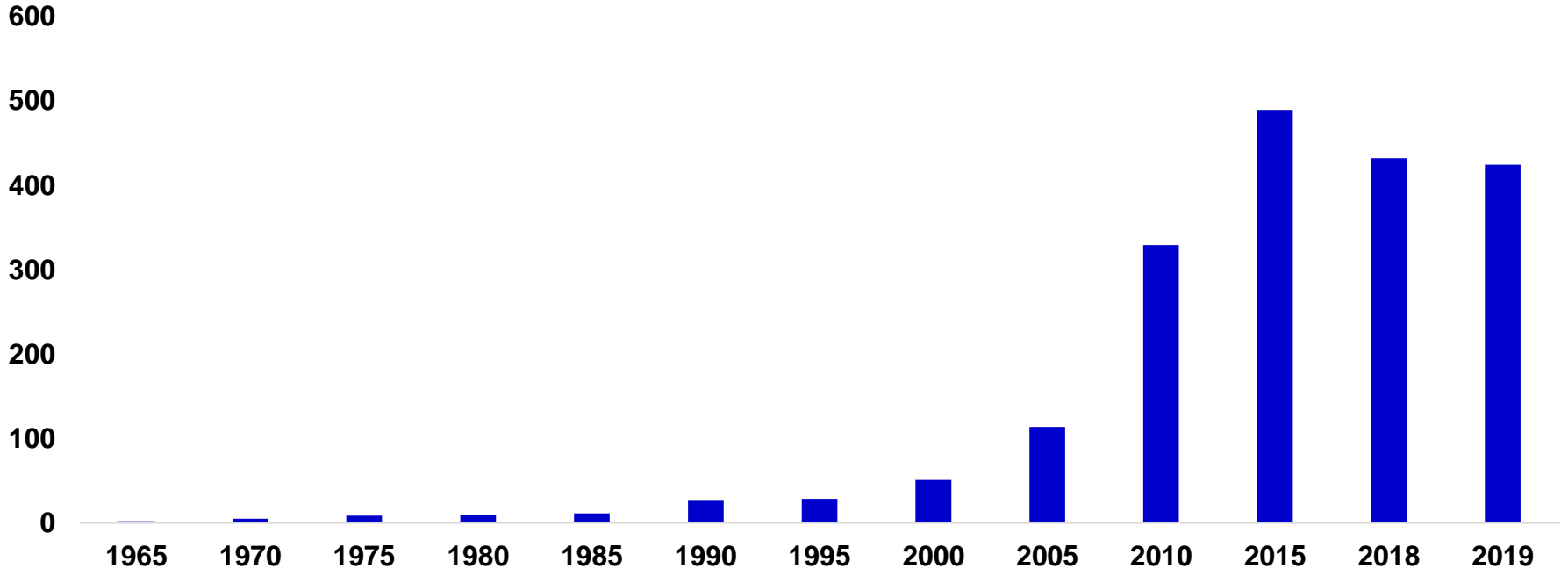
Total Assets to Gdp (percent)



Source: BRSA, TurkStat

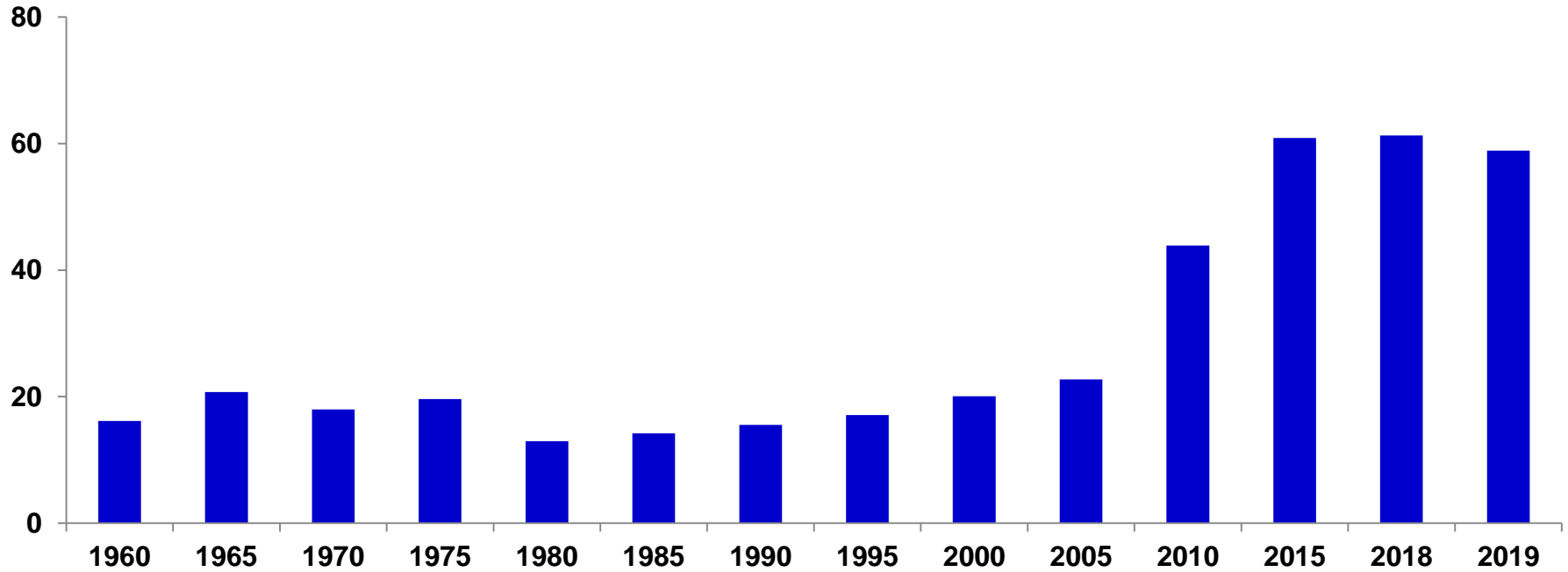


Loans and Receivables (Billion USD)



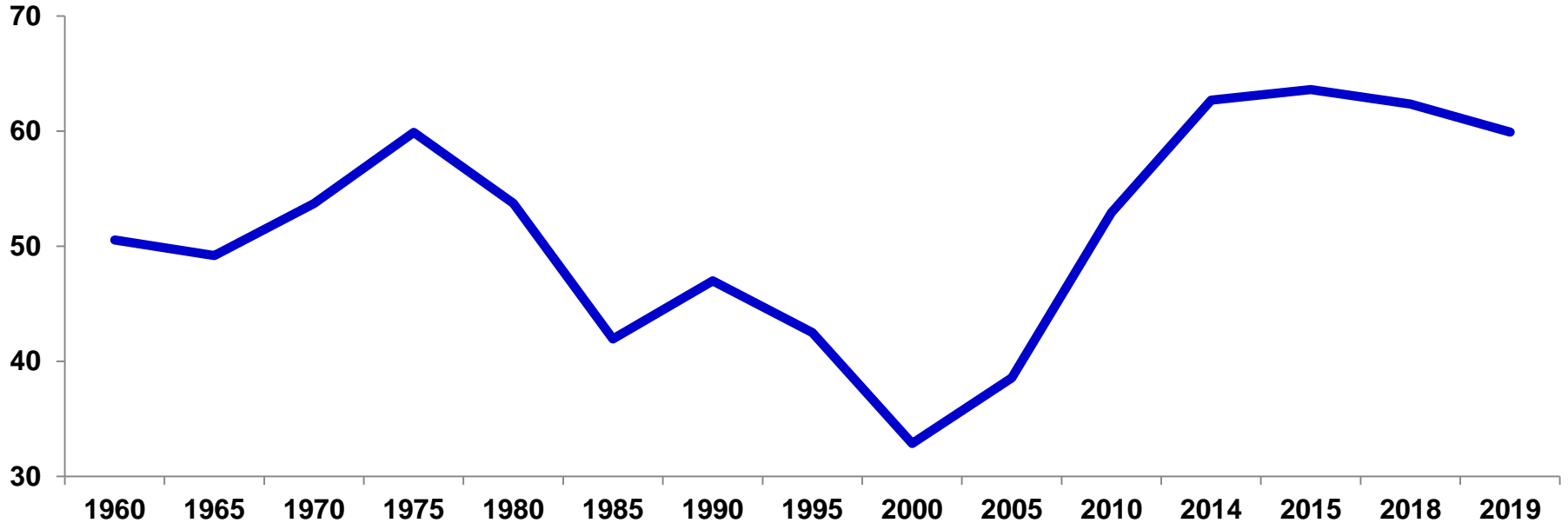
Source: BRSA, BAT

Loans to Gdp (percent)



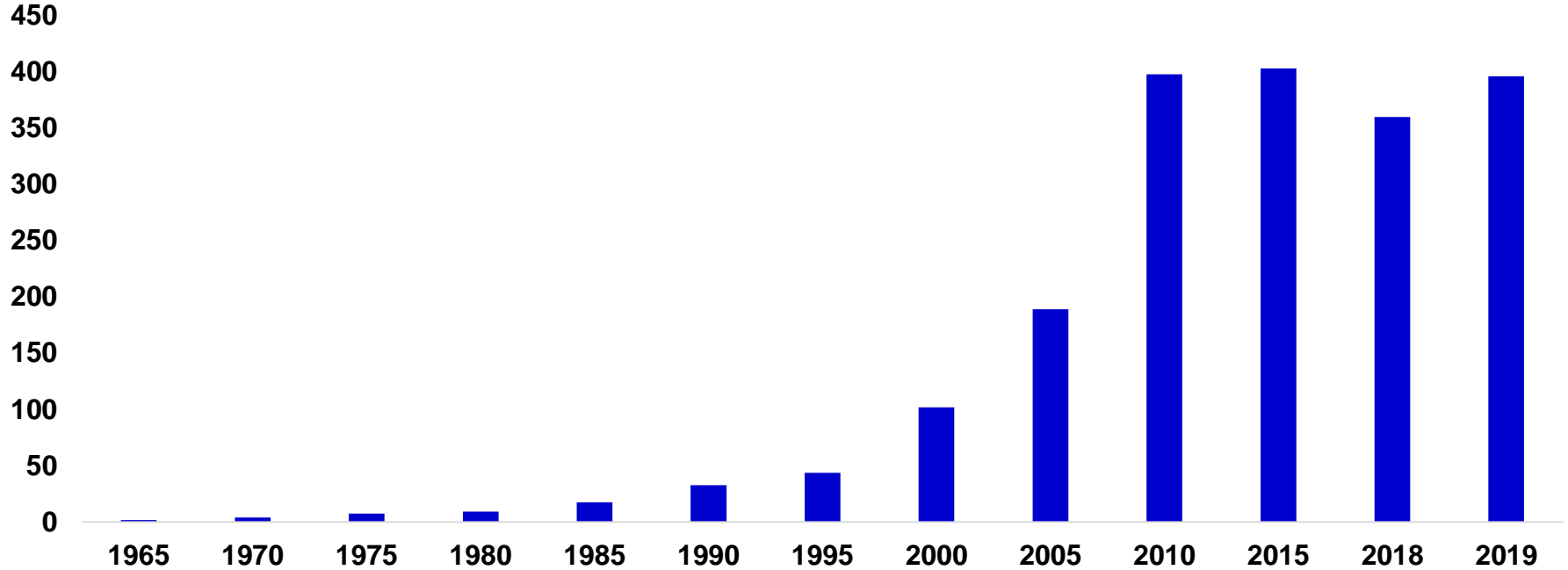
Source: BRSA, TurkStat

Loans and Receivables / Total Assets (Percent)



Source: BRSA

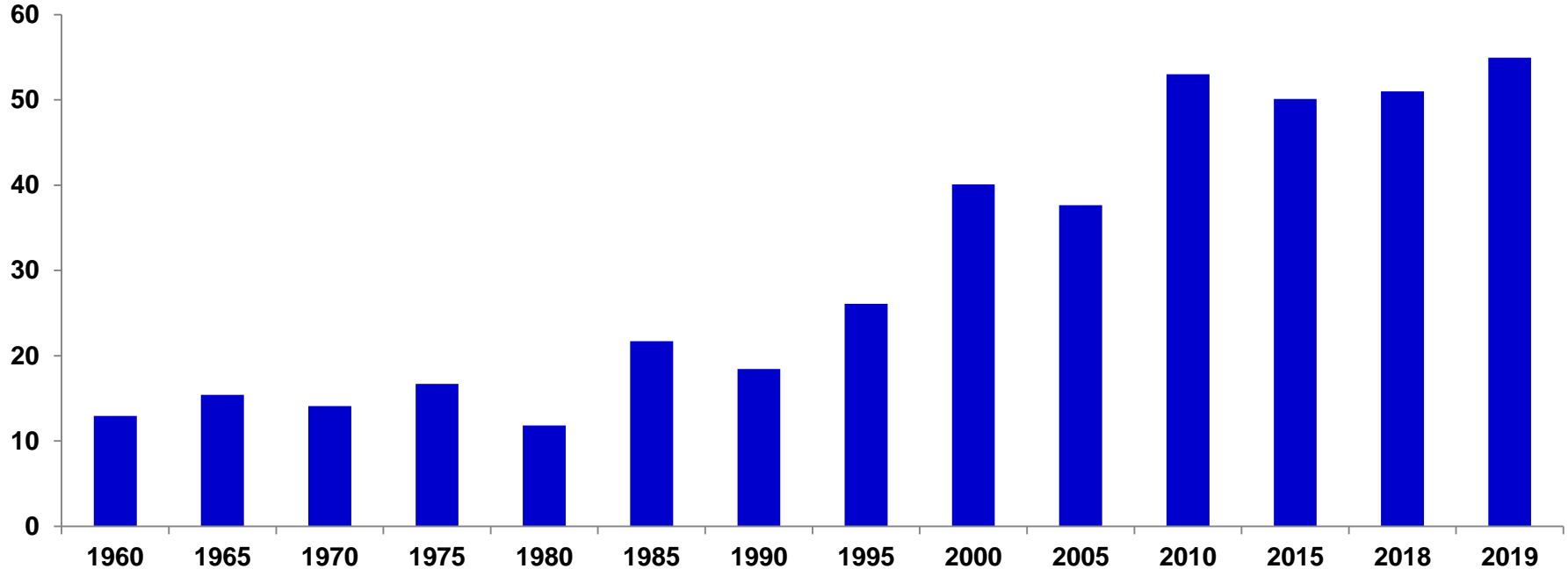
Deposits (Billion USD)



Source: BRSA, BAT

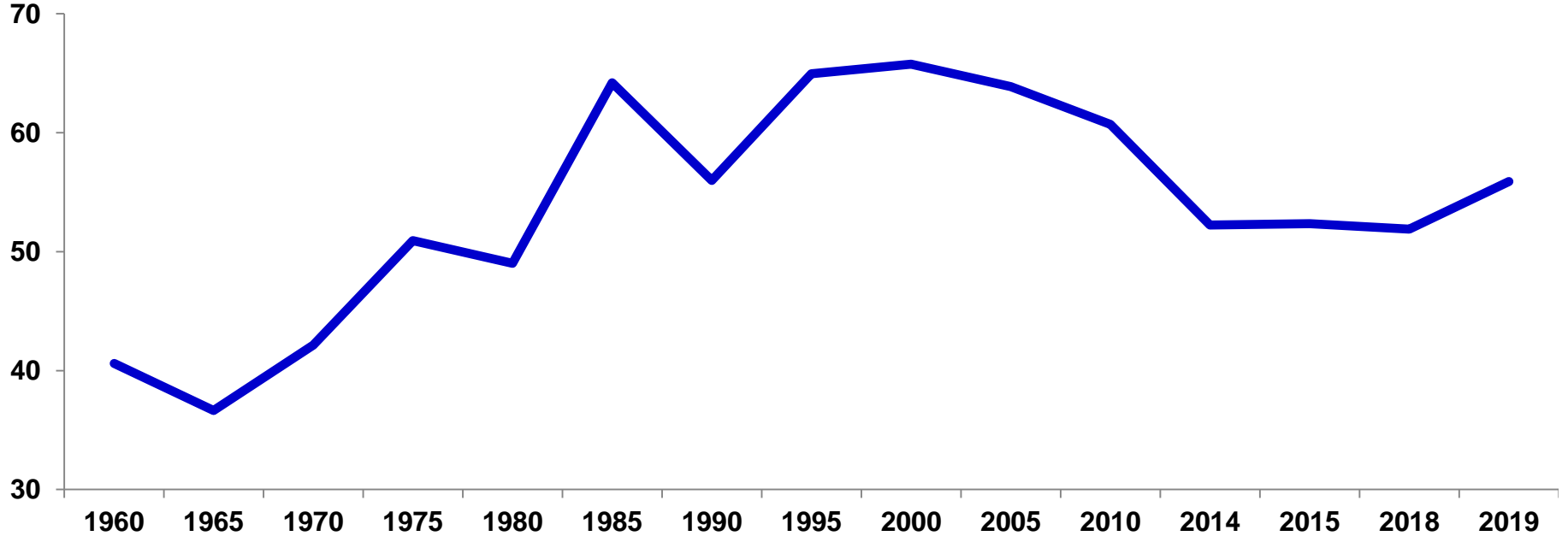


Deposits to Gdp (percent)



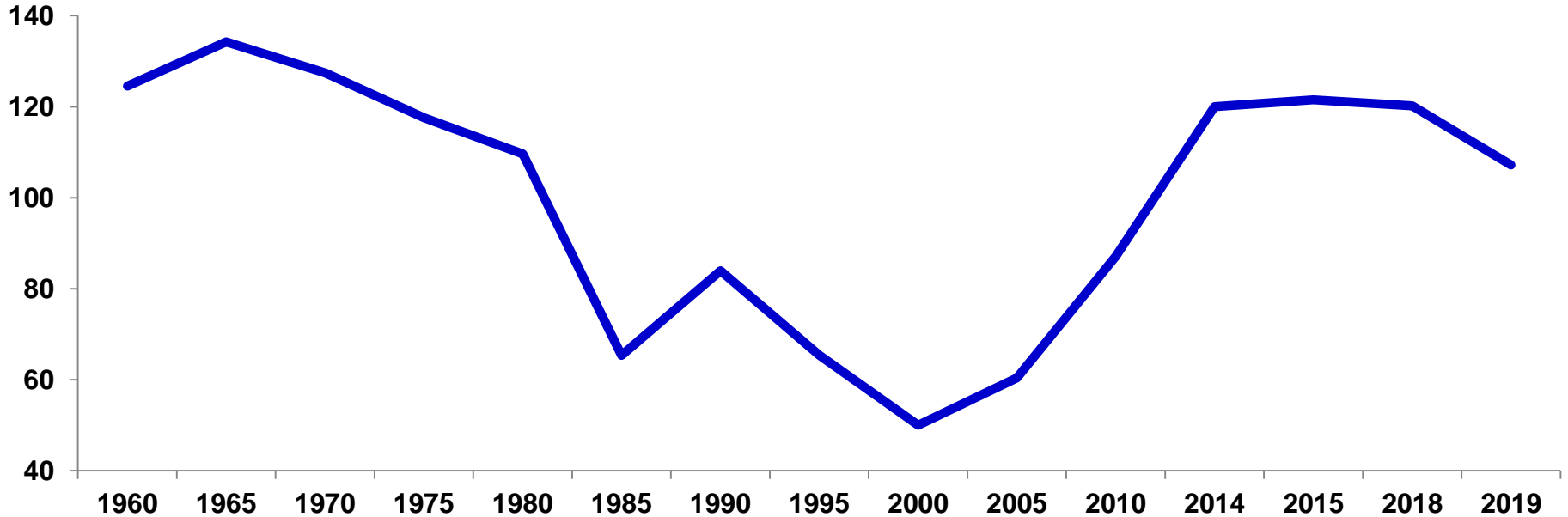
Source: BRSA, TurkStat

Deposits / Total Assets (Percent)



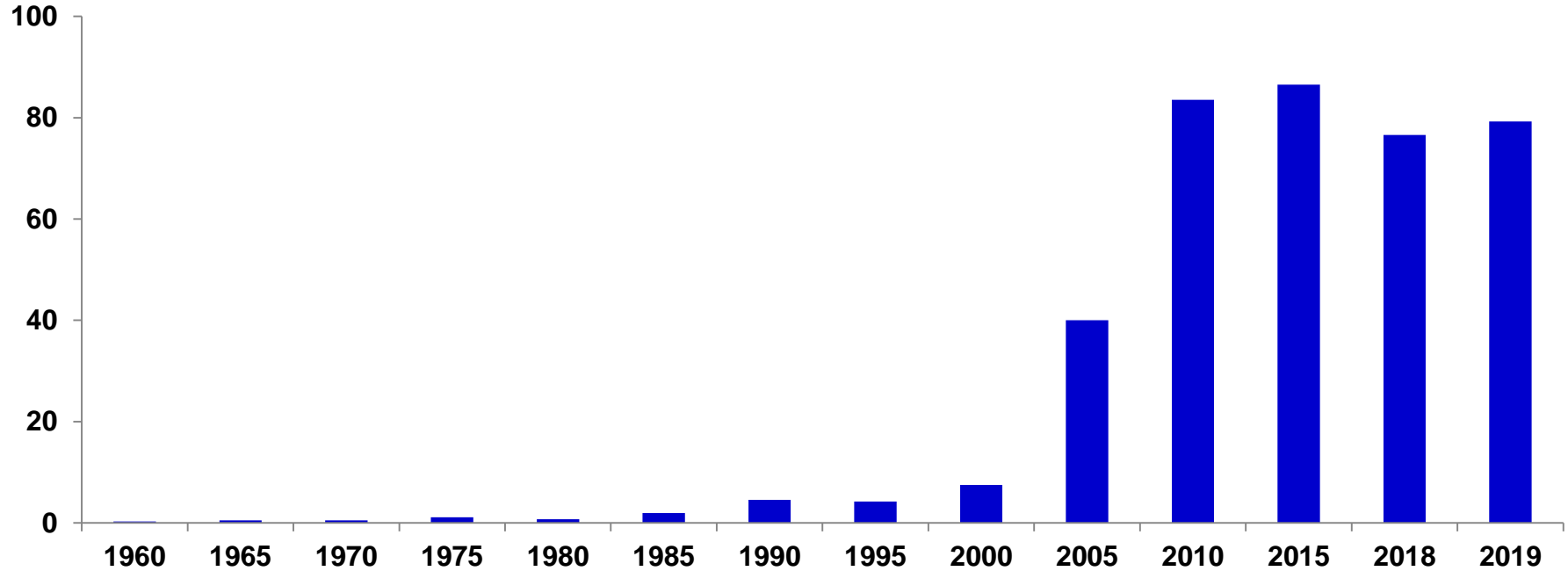
Source: BRSA

Loans / Deposits (Percent)



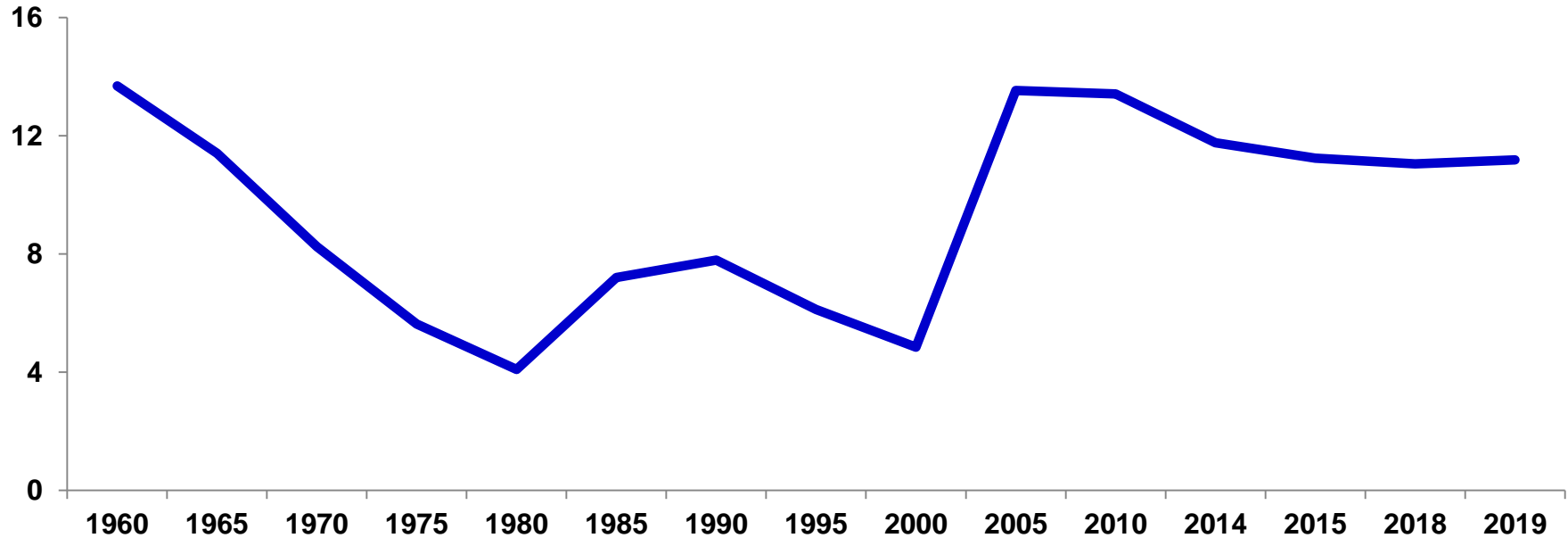
Source: BRSA

Shareholders' Equity (USD billion)



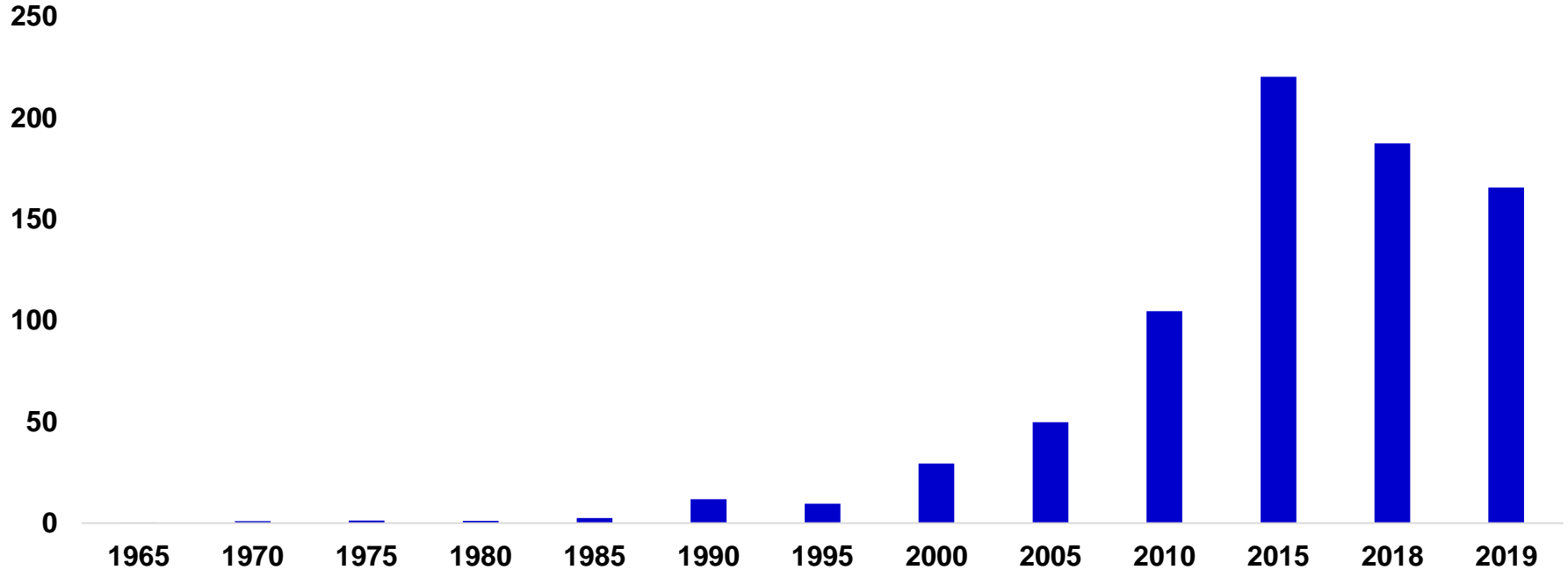
Source: BRSA

Shareholders' Equity / Total Assets (Percent)



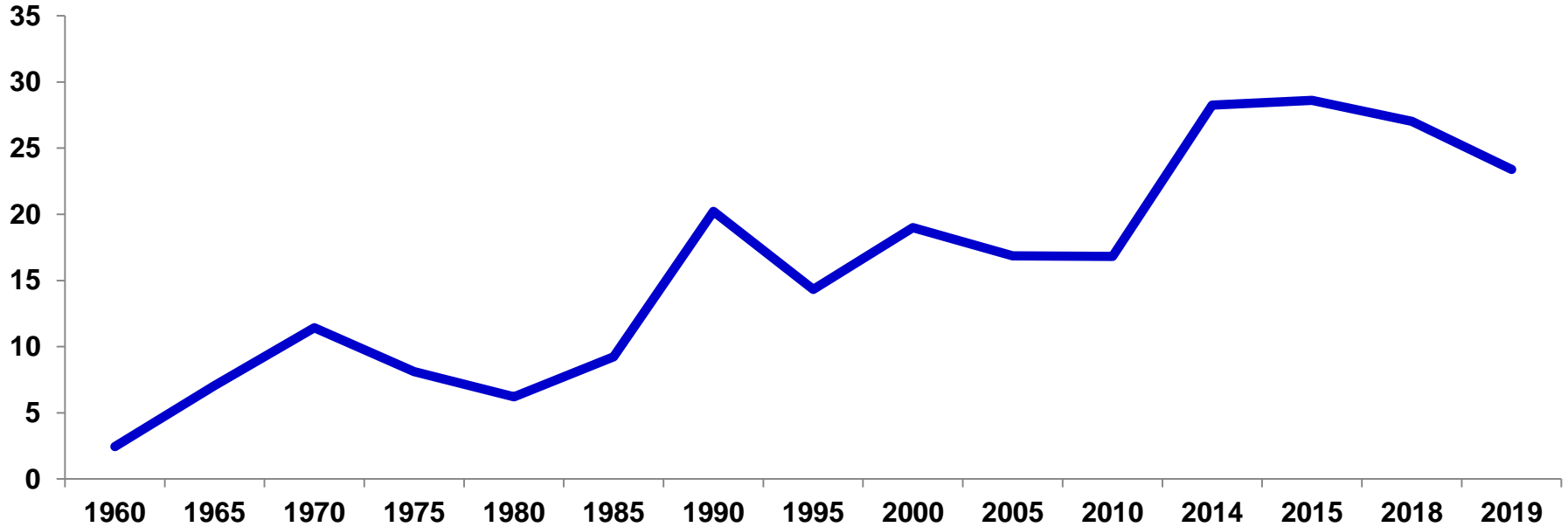
Source: BRSA

Non-Deposit Funds (Billion USD)



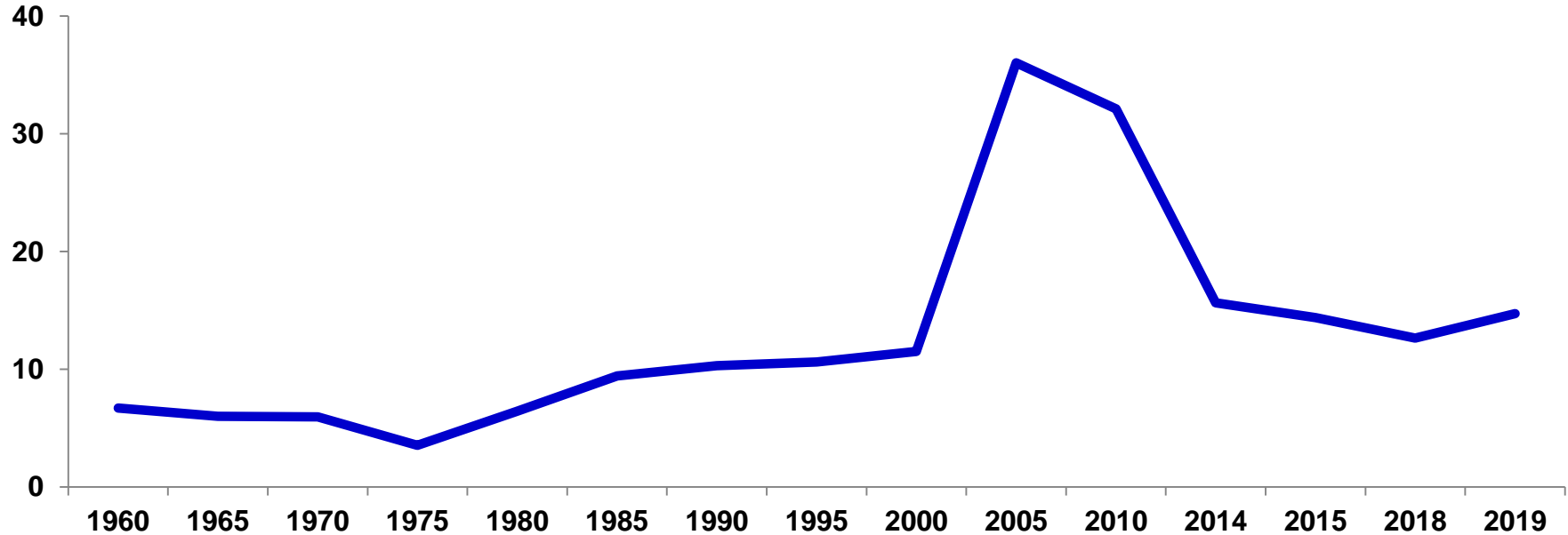
Source: BRSA, BAT

Non-Deposit Funds / Total Assets (Percent)



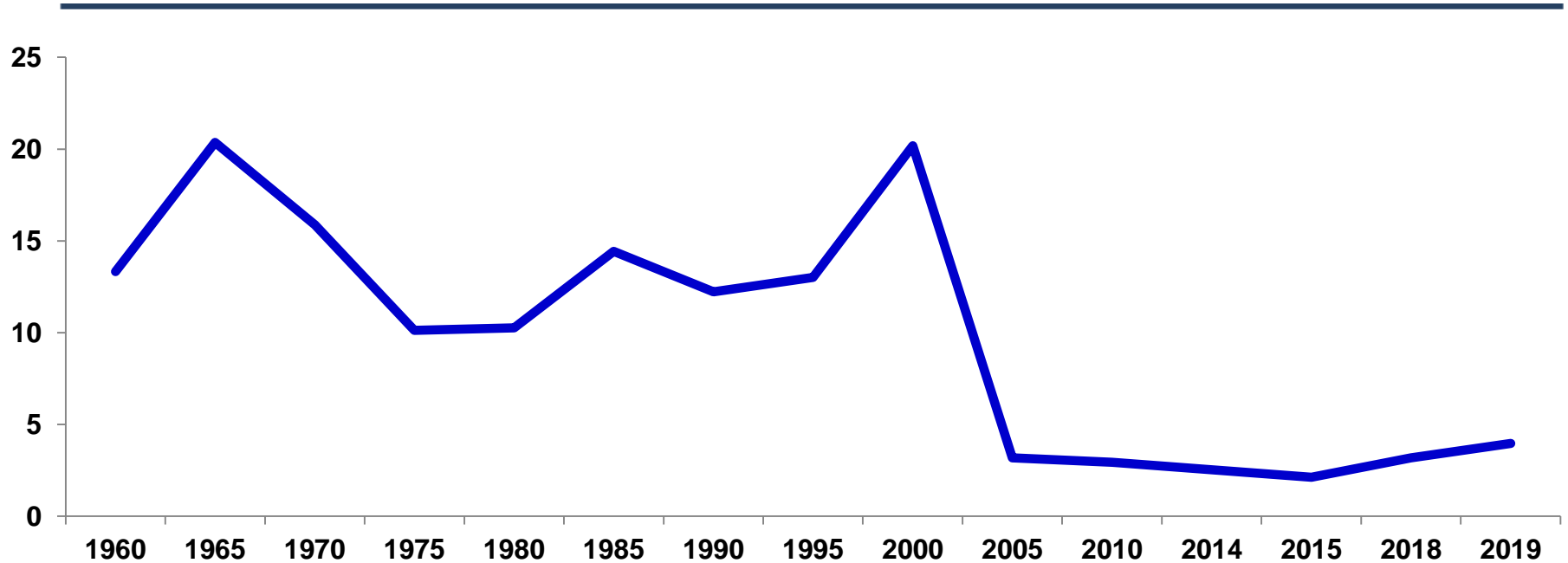
Source: BRSA

Financial Assets / Total Assets (Percent)



Source: BRSA

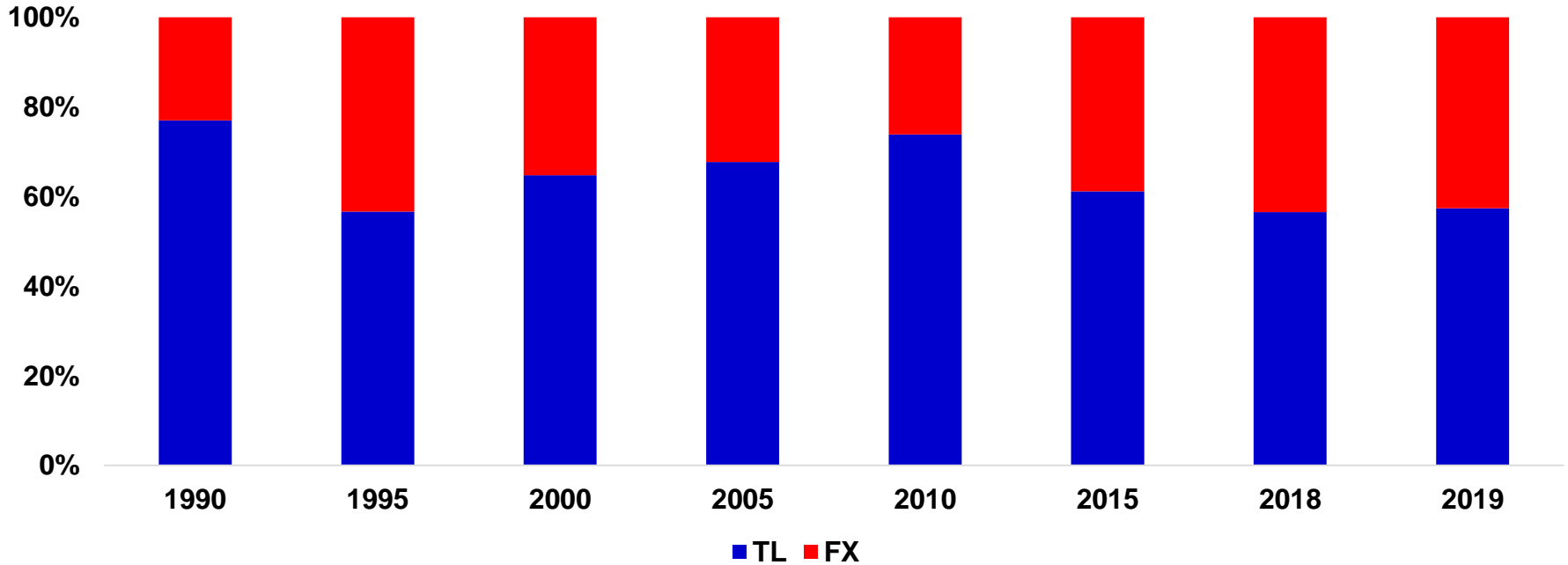
Other Assets / Total Assets (Percent)



Source: BRSA

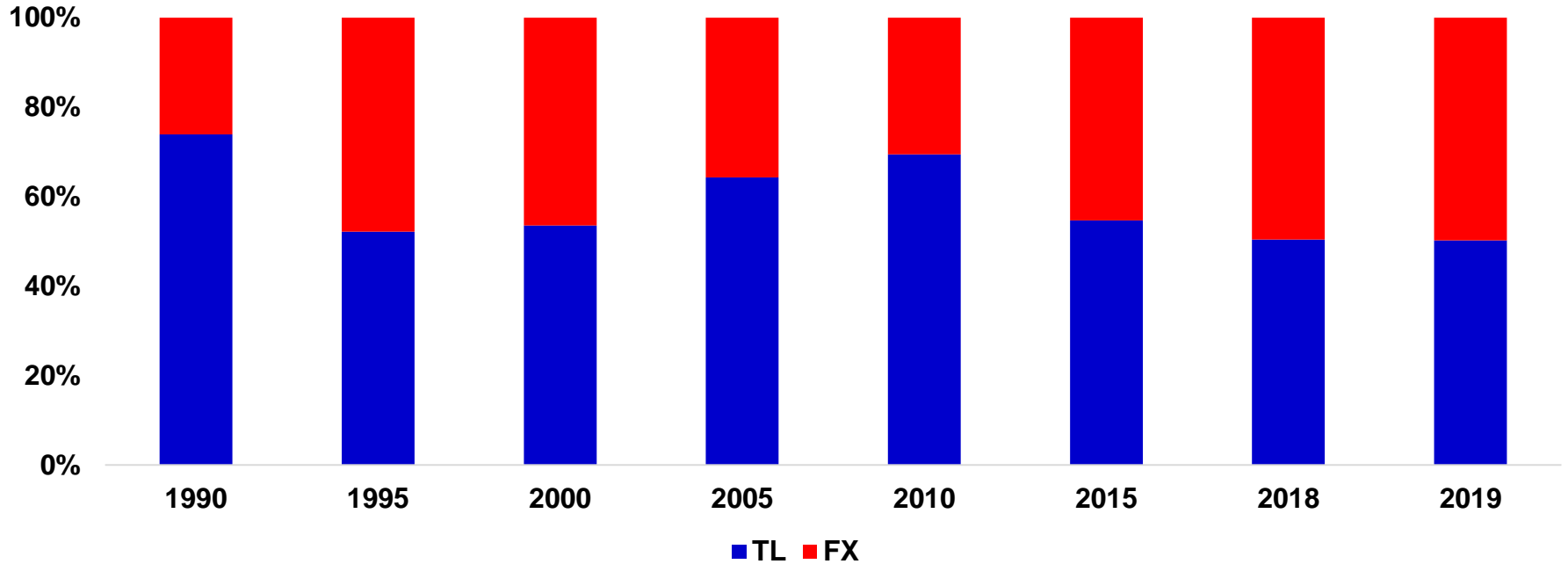
Other assets data released before 2002 was taken from BAT and there might be some differences in terms of coverage of the data published by BRSA.

Distribution of Assets (Percentage)



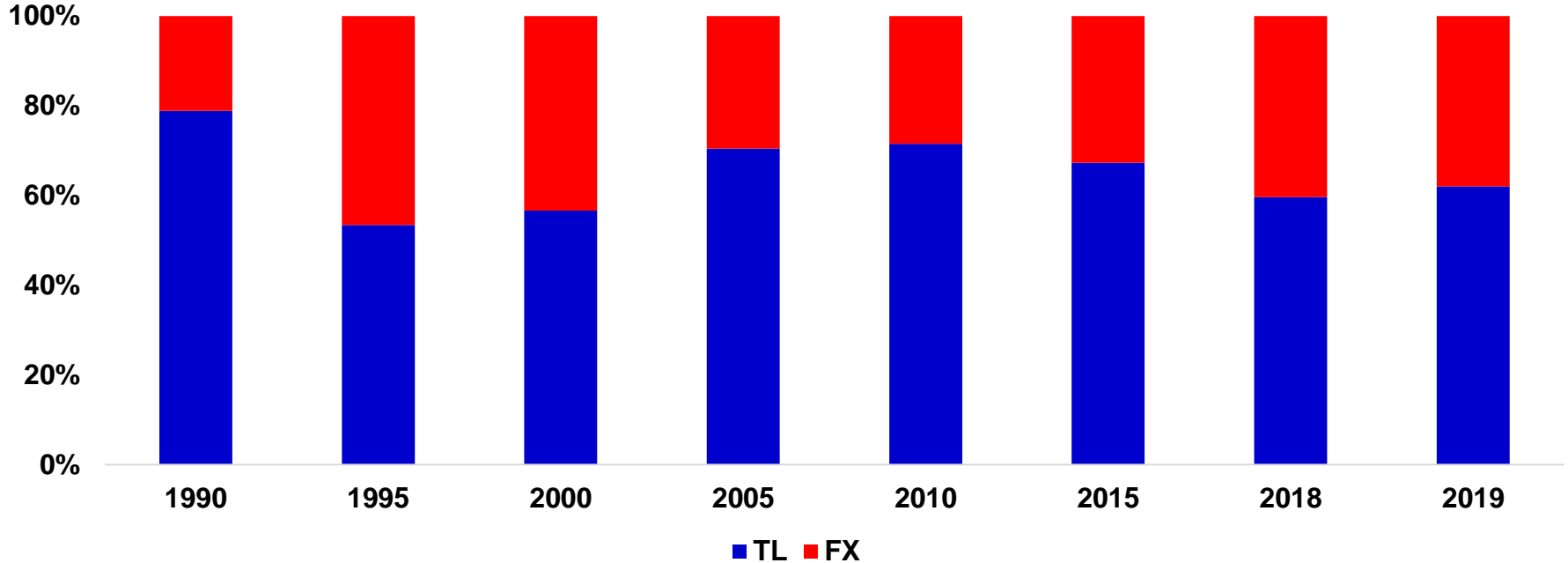
Source: BRSA, BAT

Distribution of Liabilities (Percentage)



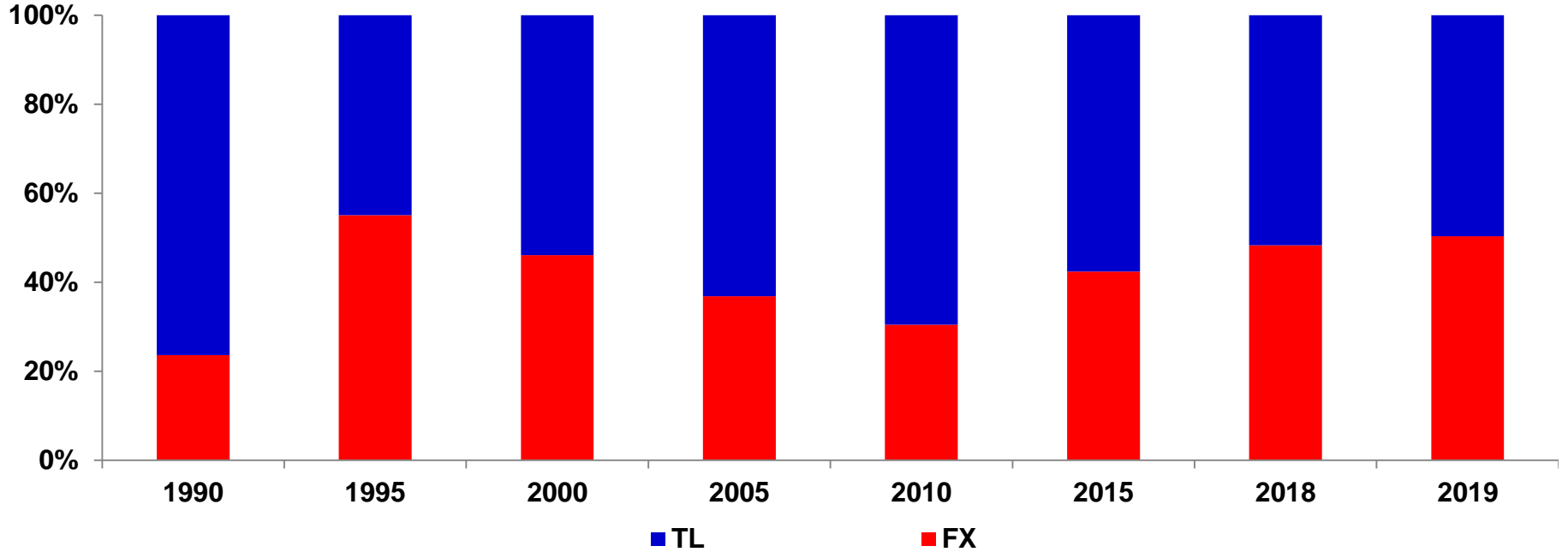
Source: BRSA, BAT

Distribution of Loans (Percentage)



Source: BRSA, BAT

Distribution of Deposit (Percentage)



Source: BRSA, BAT

Selected Balance Sheet Indicators (USD Billion)

	1960	1970	1980	1990	2000	2010	2015	2018	2019
Loans and Receivables	1	3	10	27	51	331	489	432	424
Securities	0.1	0.4	1	6	18	201	111	88	104
Liquid Assets	0.4	1	5	13	32	68	114	98	95
Total Assets	2	6	19	58	155	626	769	693	708

Source: BRSA

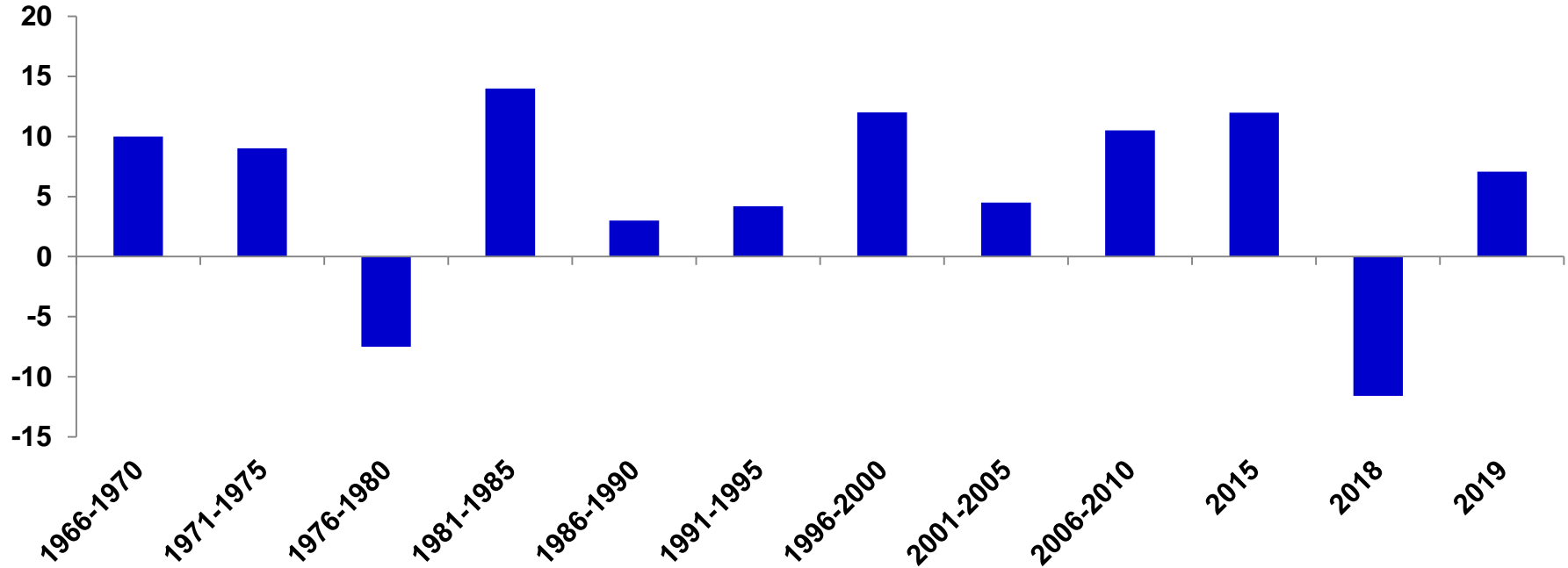
Selected Balance Sheet Indicators (USD Billion)

	1960	1970	1980	1990	2000	2010	2015	2018	2019
Deposits	1	3	9	33	102	400	403	360	396
TL	-	-	-	25	55	278	232	186	197
FX	-	-	-	8	47	122	171	174	199
Non-Deposit Funds	0.1	1	1	12	29	105	220	187	166
Shareholder's Equity	0.3	1	1	5	8	84	87	77	79
Total Liabilities	2	6	19	58	155	626	769	693	708

Source: BRSA

Growth Rate of Total Assets

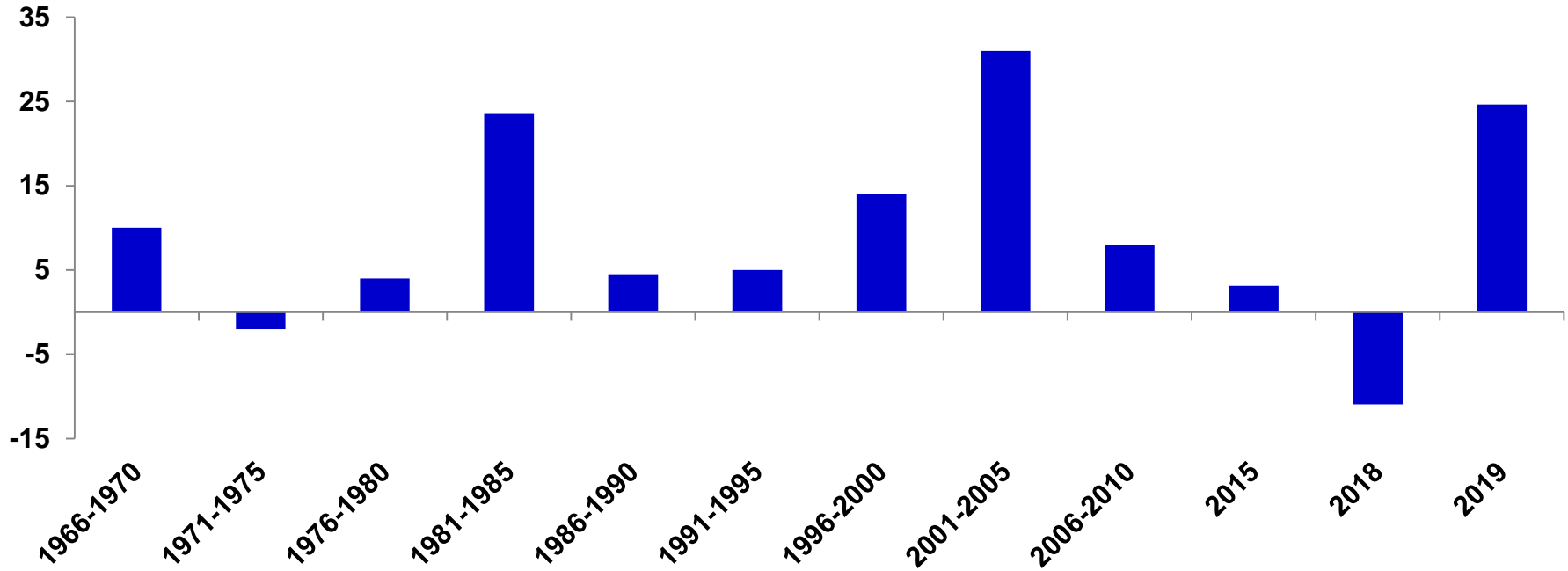
(Average of 5-year period. deflated with PPI. percent)



Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

Growth Rate of Financial Assets

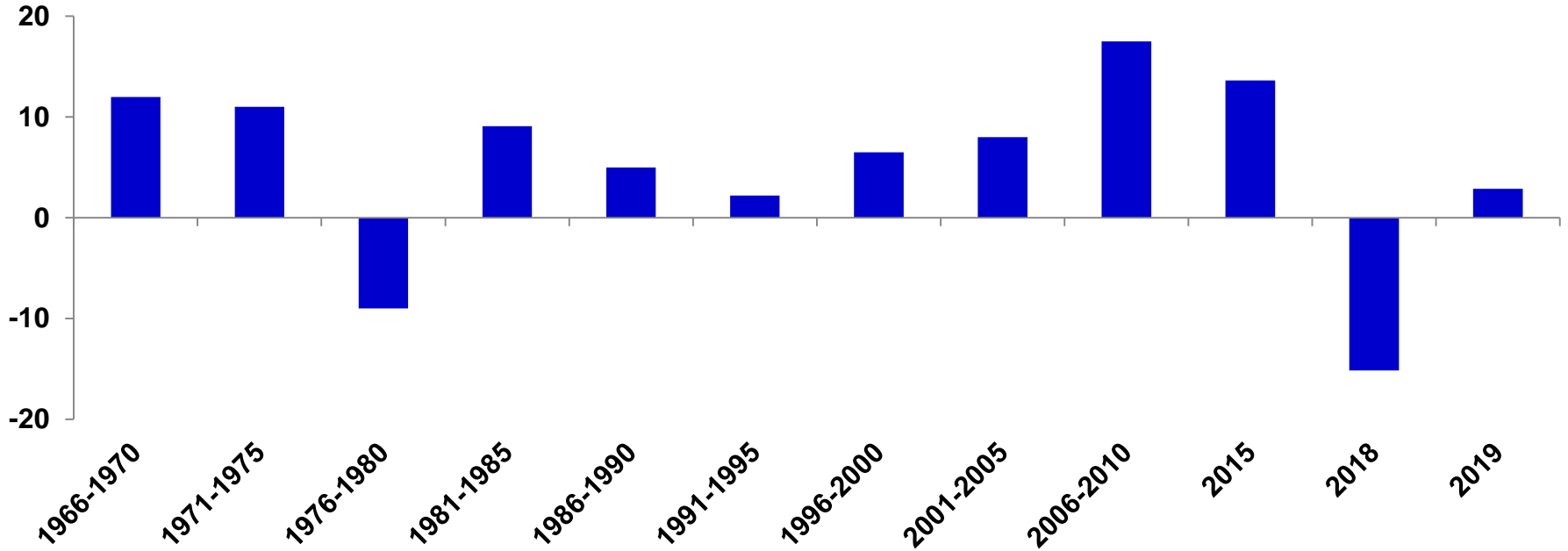
(Average of 5-year period. deflated with PPI. percent)



Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

Growth Rate of Loans

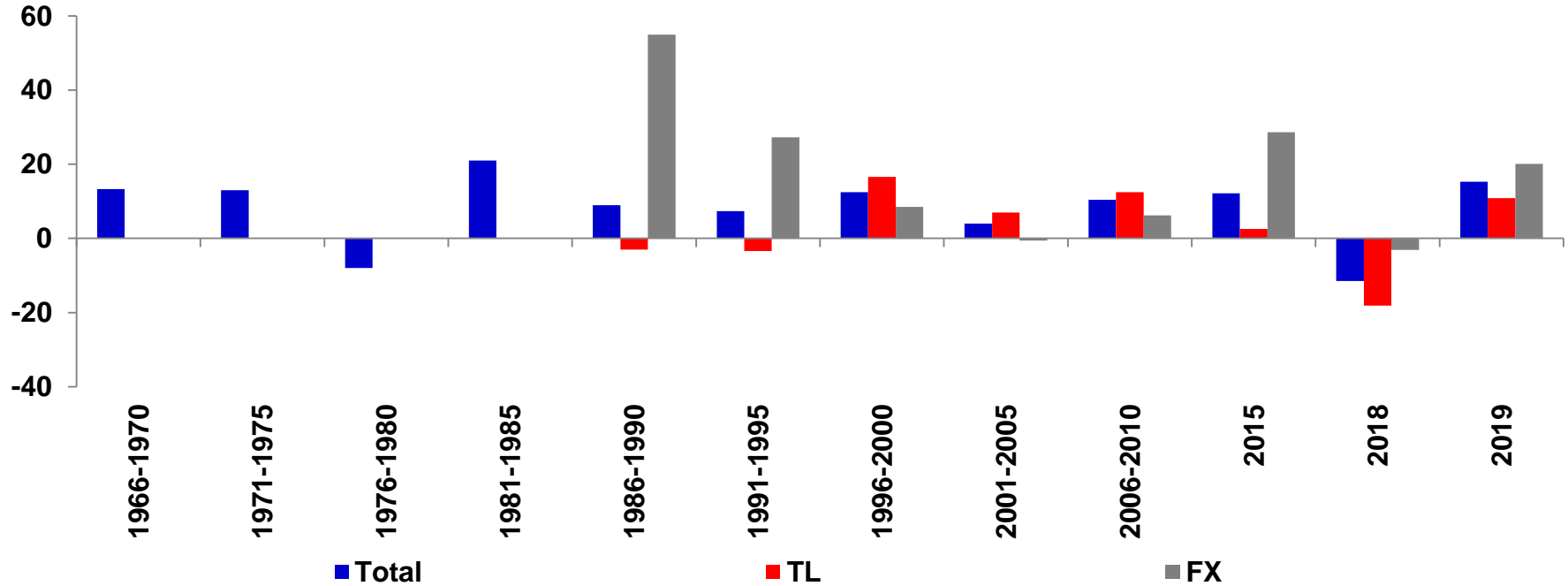
(Average of 5-year period. deflated with PPI. percent)



Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

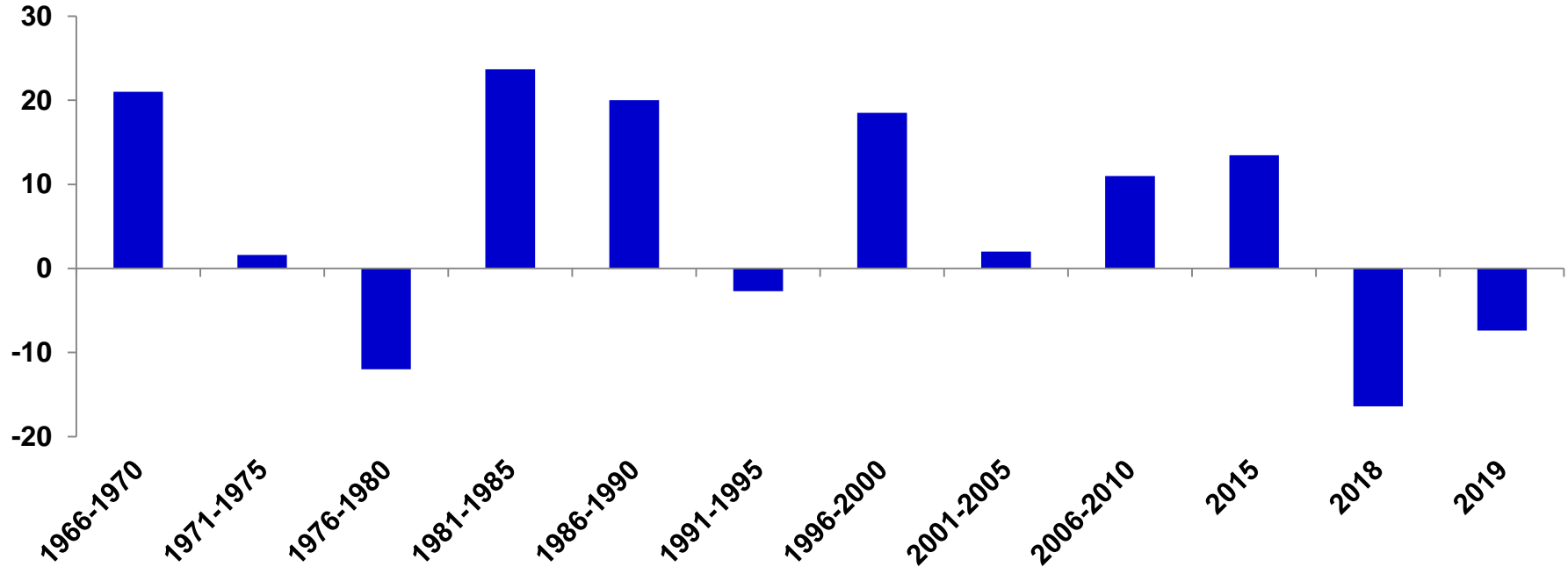
Growth Rate of Total Deposits

(Average of 5-year period. deflated with PPI. percent)



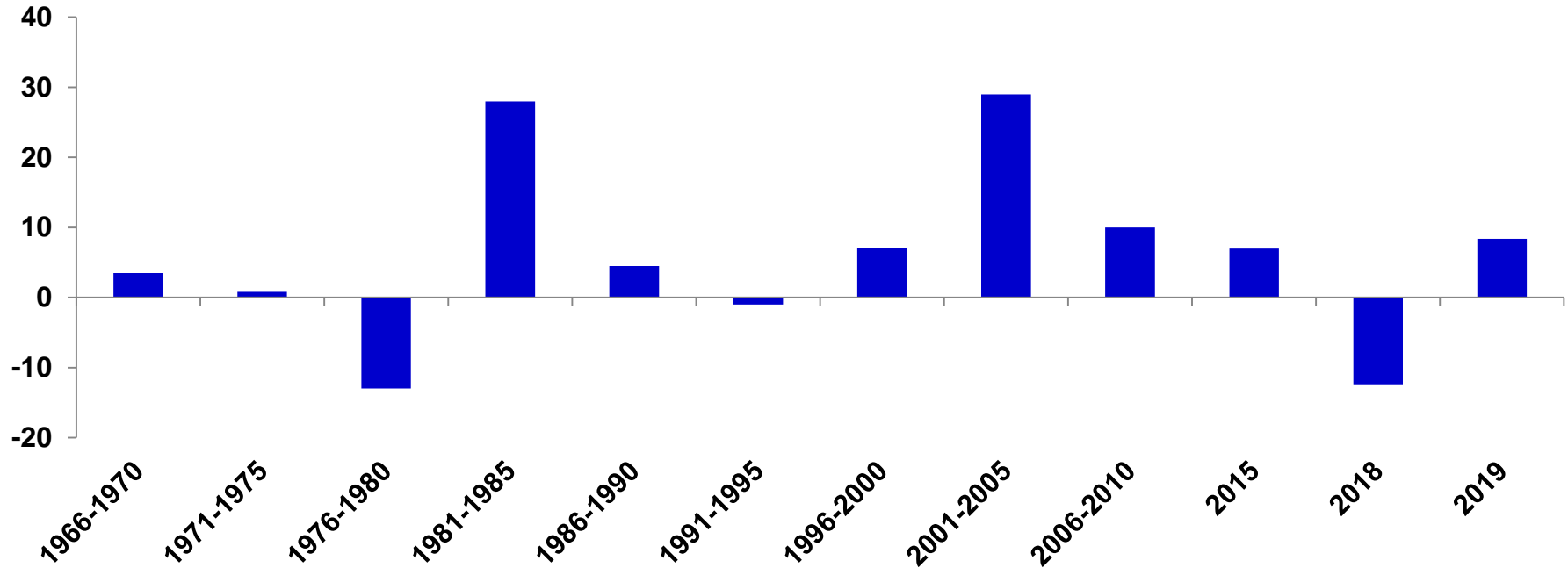
Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

Growth Rate of Non-Deposit Funds (Average of 5-year period. deflated with PPI. percent)



Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

Growth Rate of Shareholders' Equity (Average of 5-year period. deflated with PPI. percent)

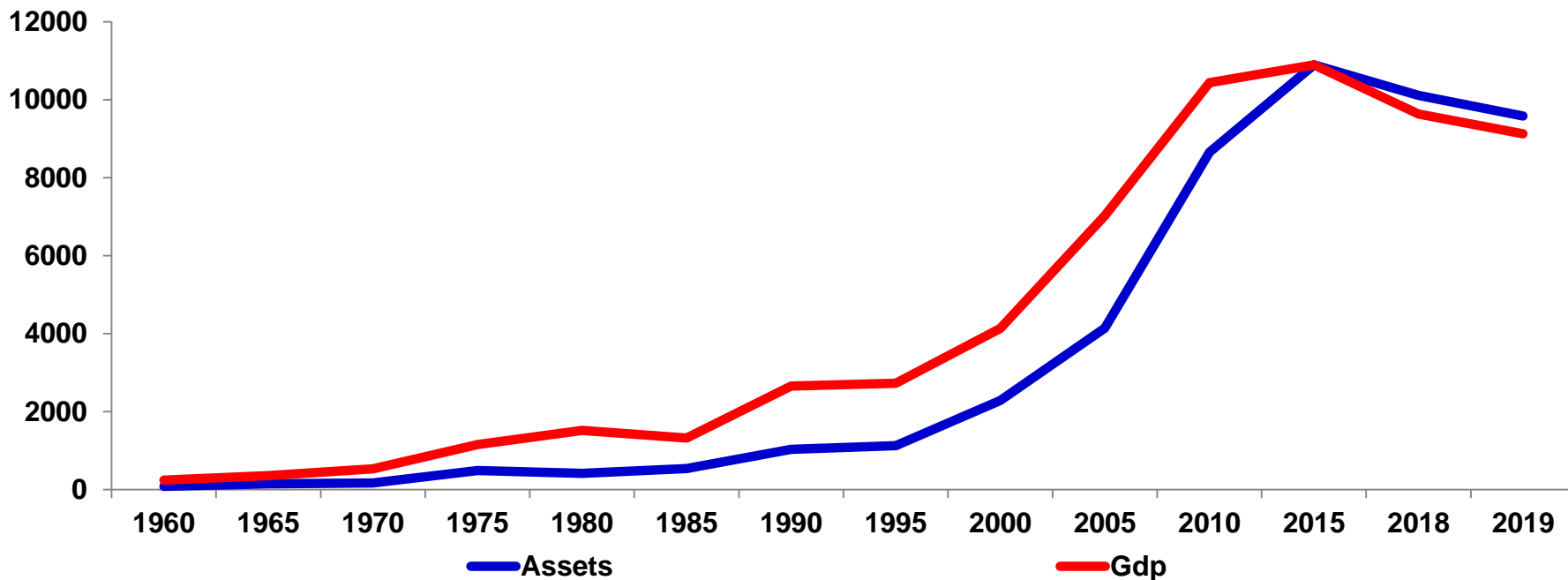


Values until 2004 belong to previously calculated WPI.
Source: BRSA, BAT

Selected Indicators



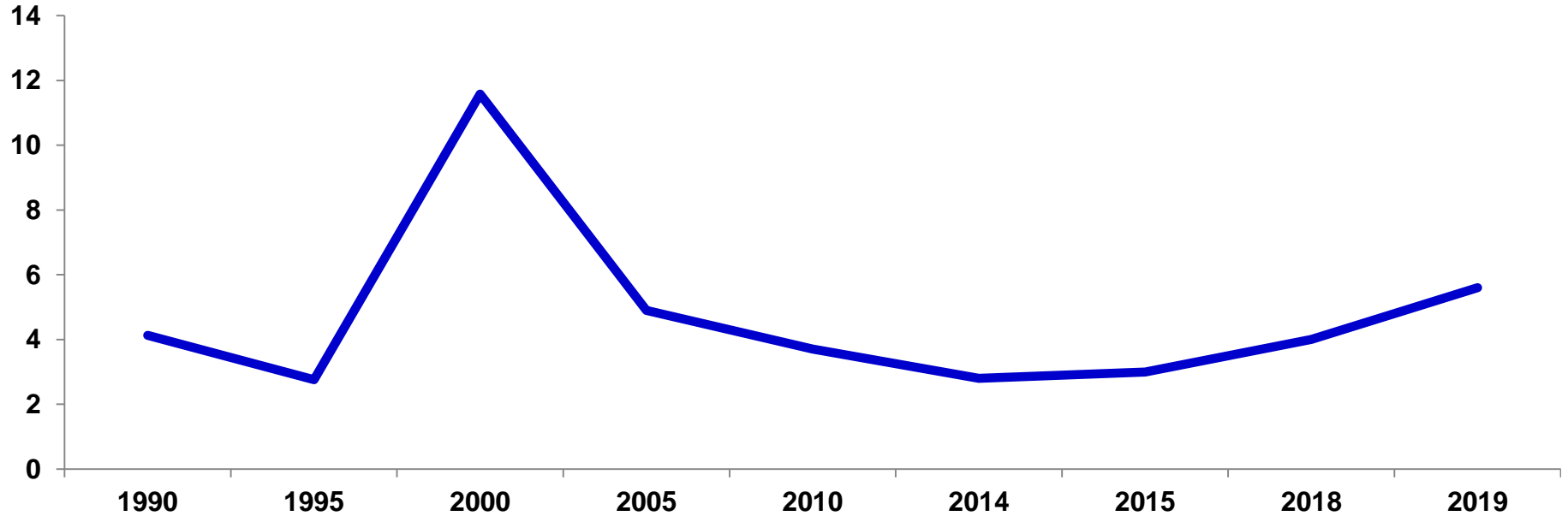
Assets and Income Per Capita (USD)



Source: BRSA, TurkStat

Assets are calculated on a dollar basis using the exchange rate used in GDP calculation

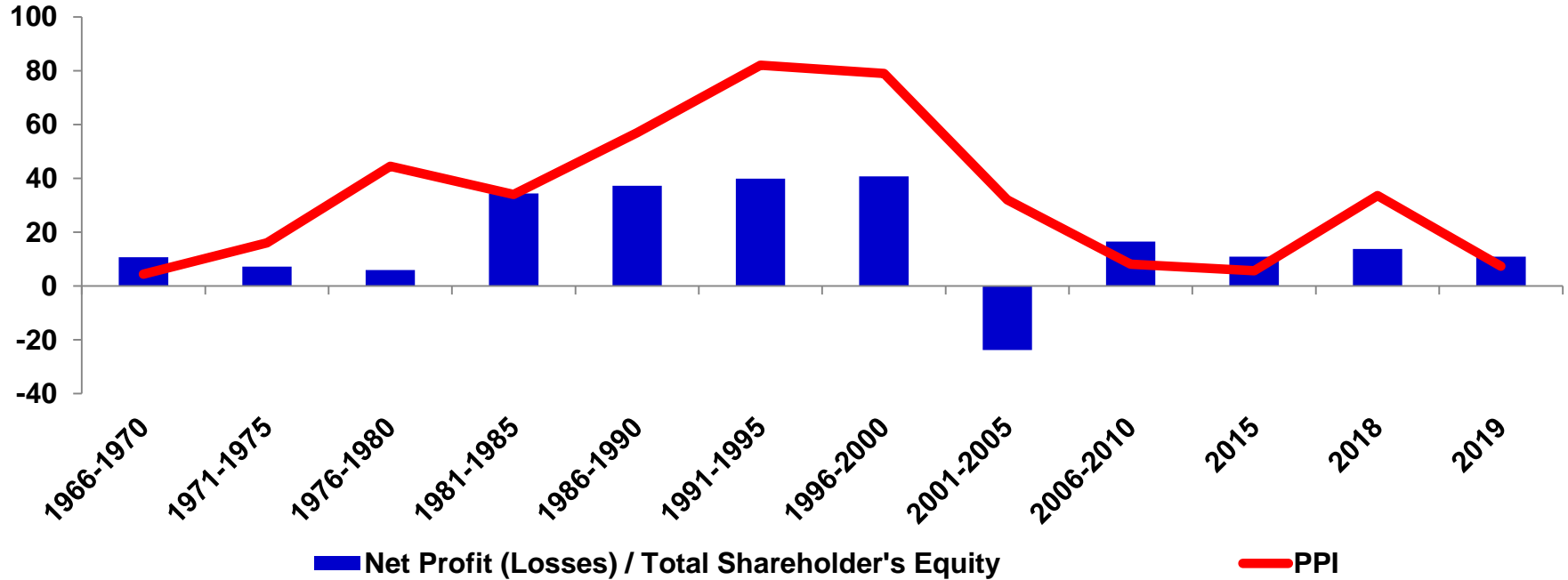
Non Performing Loans* / Total Loans and Receivables (Percent)



*: Before provisions

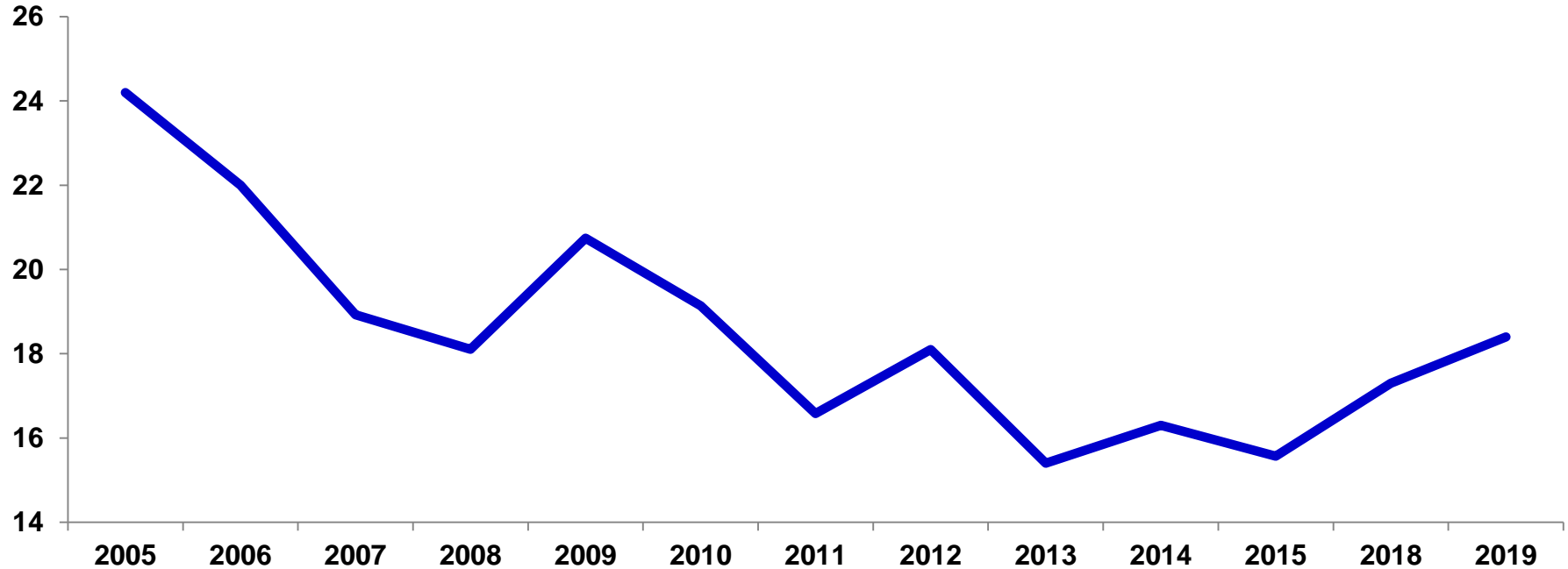
Source: BRSA

Return on Equity, PPI (Average of 5-year period, percent)



Source: BRSA, TurkStat

Capital Adequacy Ratio (Percent)



*Participation banks are included

Source: BRSA

Loan Distribution* (TL Billion)

	2002	2005	2010	2015	2018	2019
Total	61.1	161	564	1,532	2,490	2,805
Individual	0.27	47	182	419	556	646
Credit Cards	0.00	18	49	103	144	164
Housing	0.06	12	62	144	190	201
Automobile	0.05	6.2	6.0	6.7	6.8	7.3
Other	0.16	10	65	166	216	273
Corporate	60.8	114	382	1,113	1,934	2,159
SME Loans	-	-	131	404	655	678

*Participation banks are included
Source: BRSA



Loan Distribution* (Percentage)

	2002	2005	2010	2015	2018	2019
Total	100	100	100	100	100	100
Individual	0.4	29.2	32.3	27	22.3	23.0
Credit Cards	0	11.4	8.7	7	5.8	5.9
Housing	0.1	7.7	10.9	9	7.6	7.2
Automobile	0.1	3.9	1,1	0	0.3	0.3
Other	0.3	6.2	11.5	11	8.7	9.7
Corporate	99.6	70.8	67.7	73	77.7	77.0
SME Loans	-	-	23	26	26.3	24.2

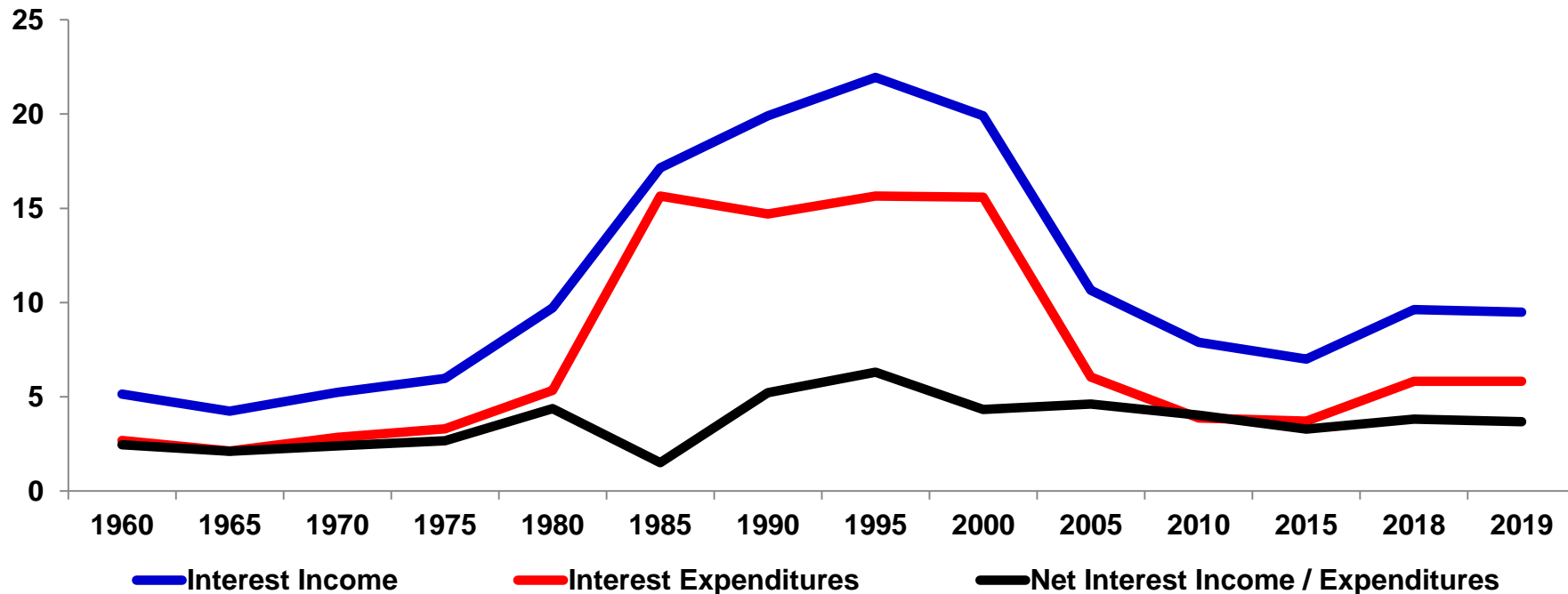
*Participation banks are included
Source: BRSA



Income - Expenditure Indicators



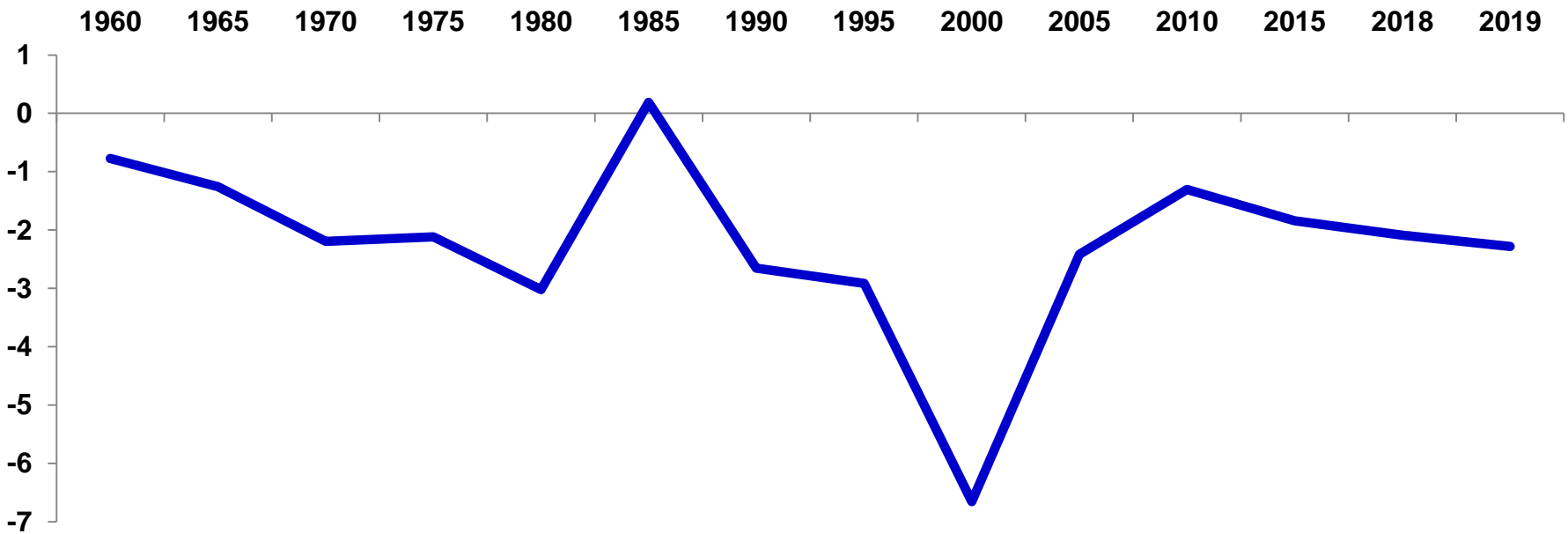
Interest Income. Interest Expenditure and Net Interest Income to Total Assets (Percent)



Source: BRSA



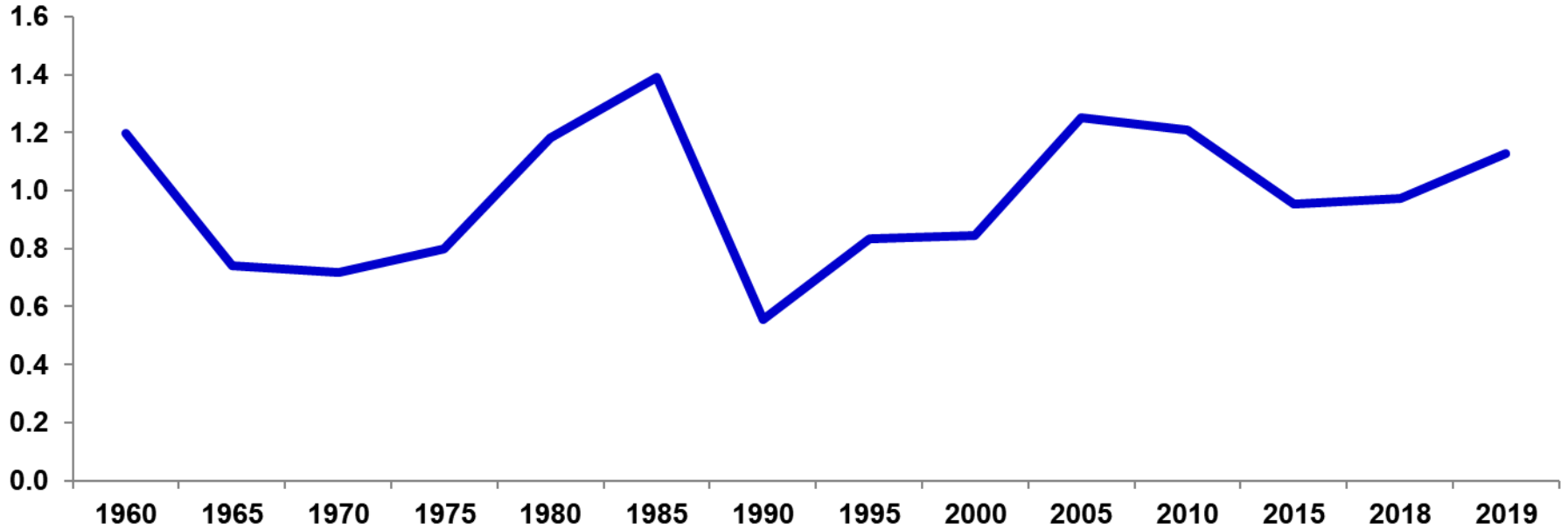
Non Interest Income / Total Assets (Percent)



Source: BRSA

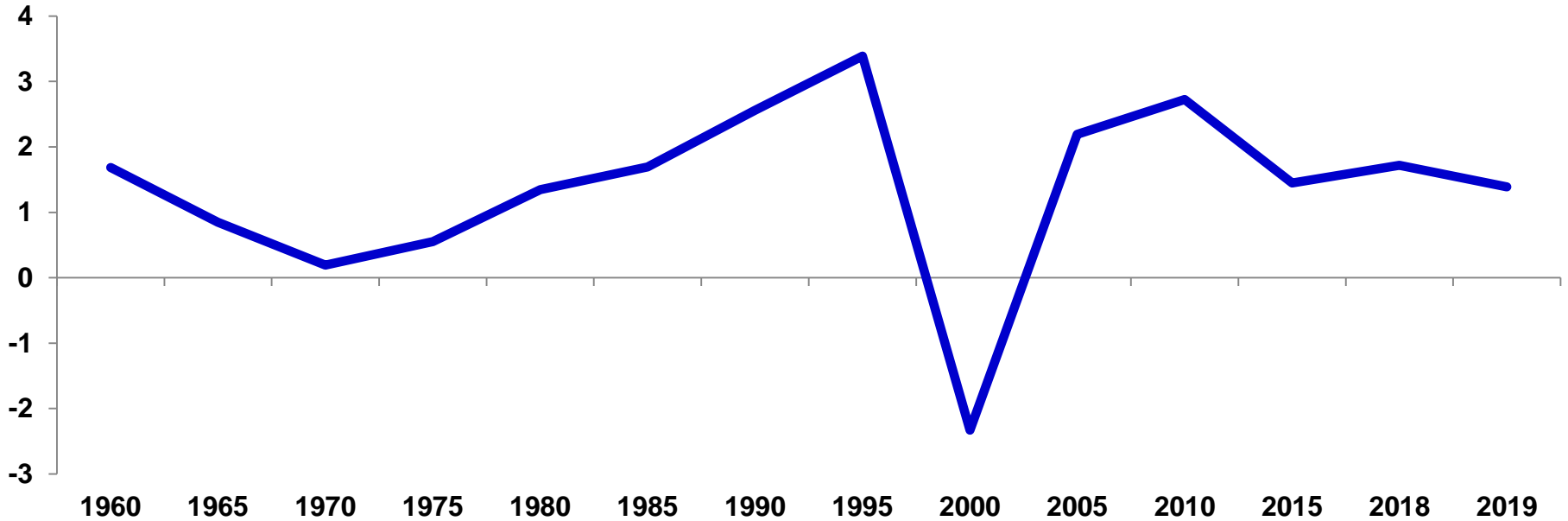


Net Fees and Commissions Income / Total Assets (Percent)



Source: BRSA

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

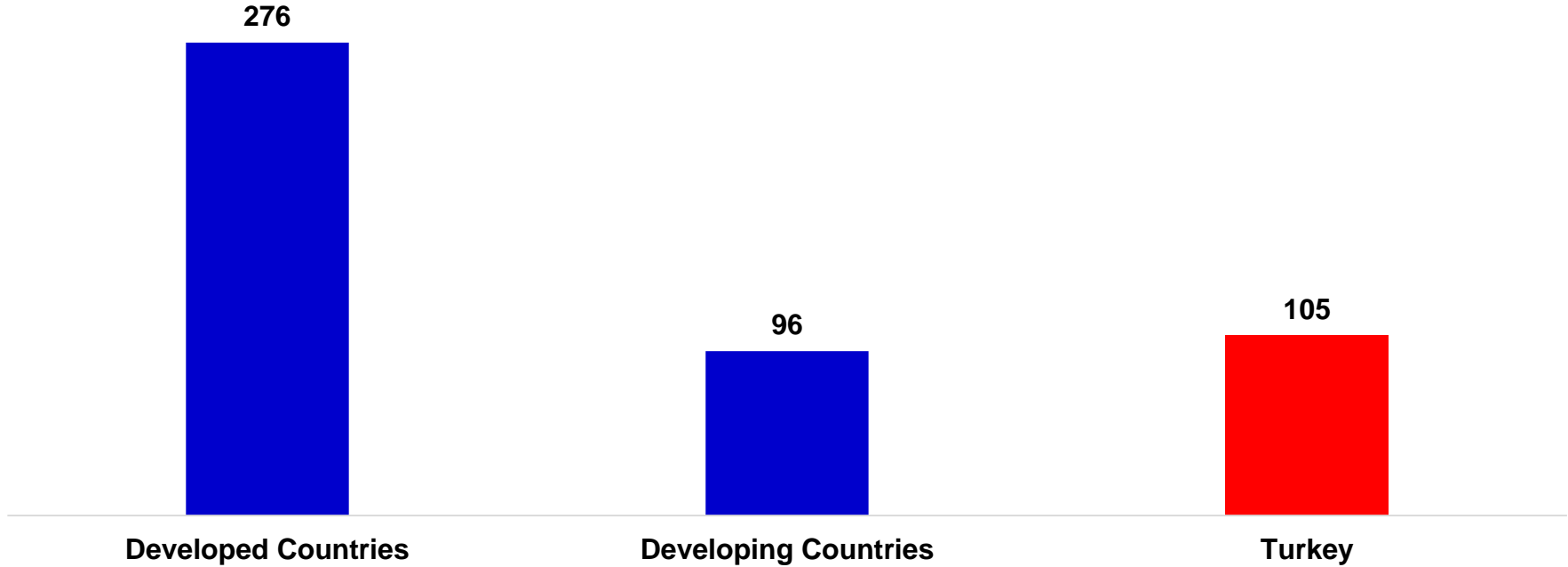


Source: BRSA

International Comparison



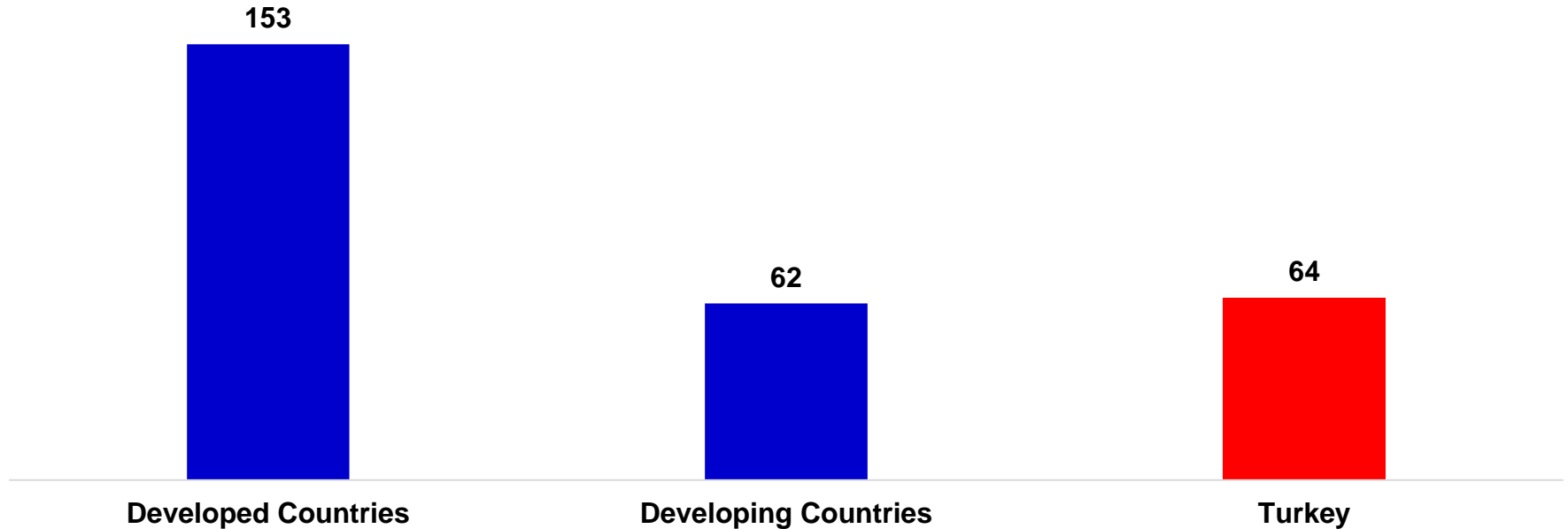
Total Assets to Gdp (Percent, 2018)



Source: SNL, TurkStat

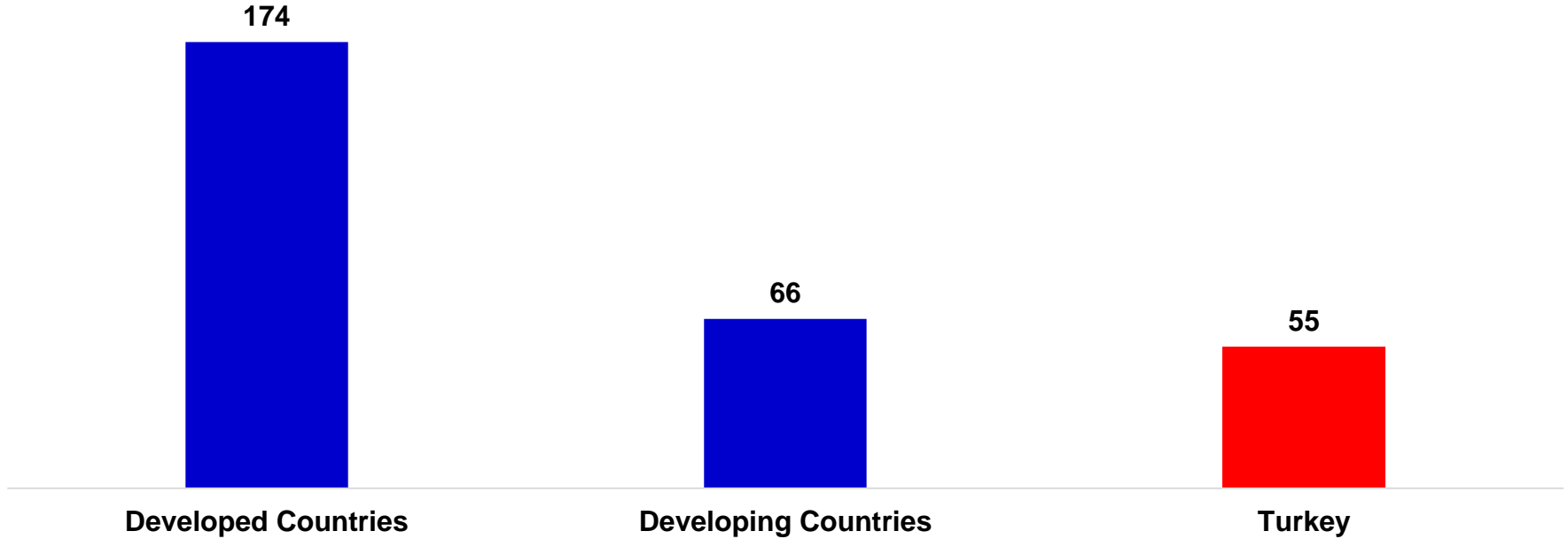


Total Loans to Gdp (Percent, 2018)



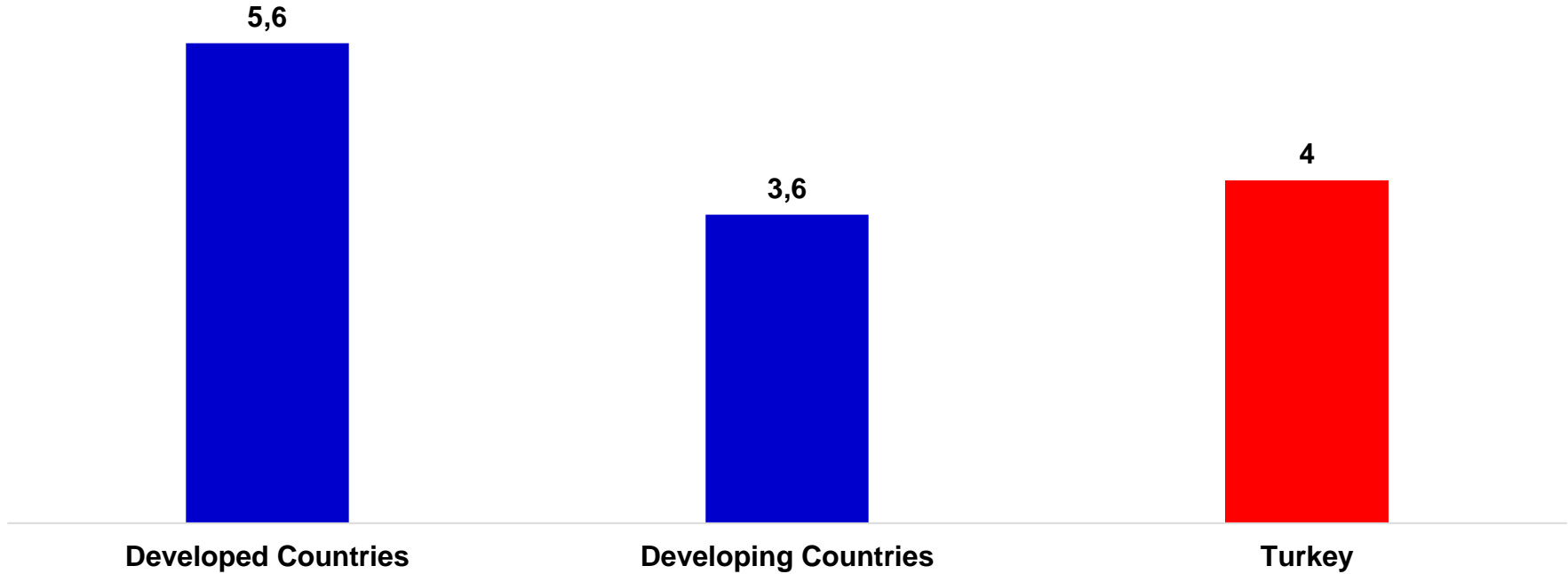
Source: SNL, TurkStat

Total Deposits to Gdp (Percent, 2018)



Source: SNL, TurkStat

Non Performing Loans to / Total Loans (Percent, 2018)



Source: SNL, TurkStat

General Information

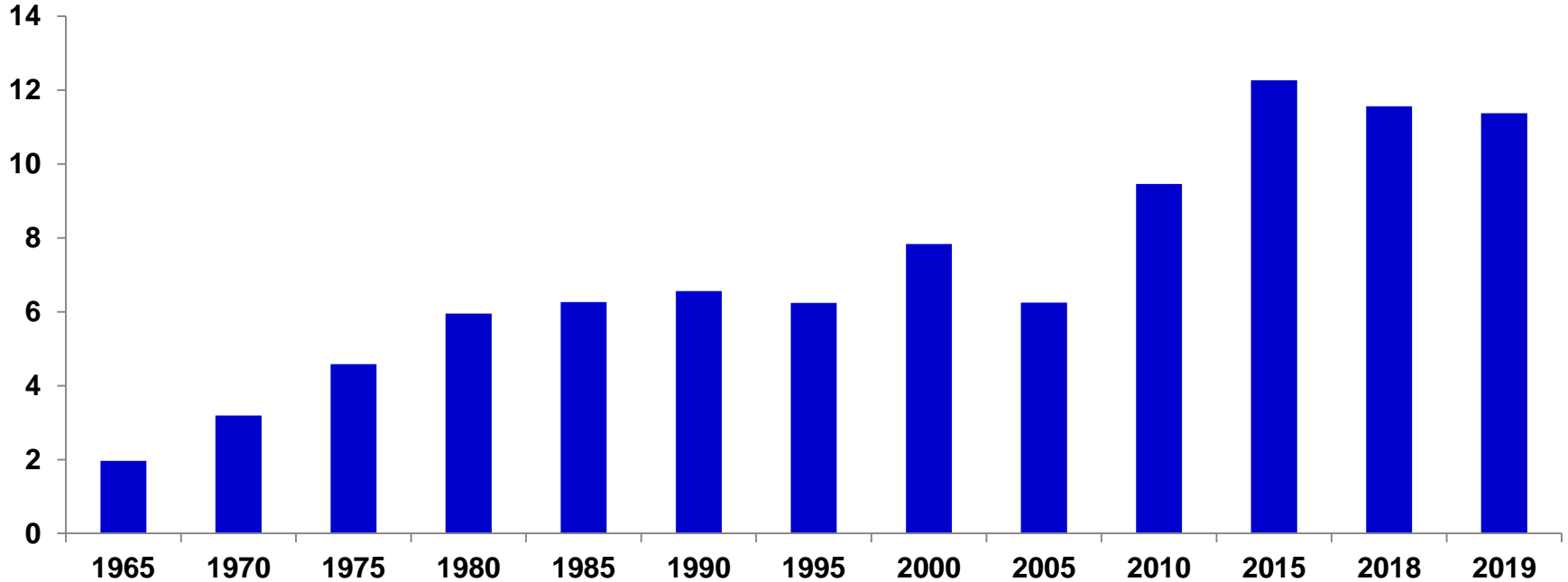


Number of Banks

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2018	2019
Deposit Banks	51	46	44	40	40	47	56	55	61	34	32	34	32	32
State-owned	14	12	12	12	12	12	8	5	4	3	3	3	3	3
Private	20	23	22	23	24	20	25	32	28	17	11	9	8	8
Foreign	5	5	5	5	4	15	23	18	18	13	17	21	21	21
Local	12	6	5	-	-	-	-	-	-	-	-	-	-	-
SDIF	-	-	-	-	-	-	-	-	11	1	1	1	-	-
Dev. and Invest. Banks	0	2	2	2	3	3	10	13	18	13	13	13	13	13
Participation Banks	-	-	-	-	-	-	-	-	-	4	4	5	5	6
TOTAL	51	48	46	42	43	50	66	68	79	51	49	52	50	51

Source: BRSA

Number of Branches (Thousand)

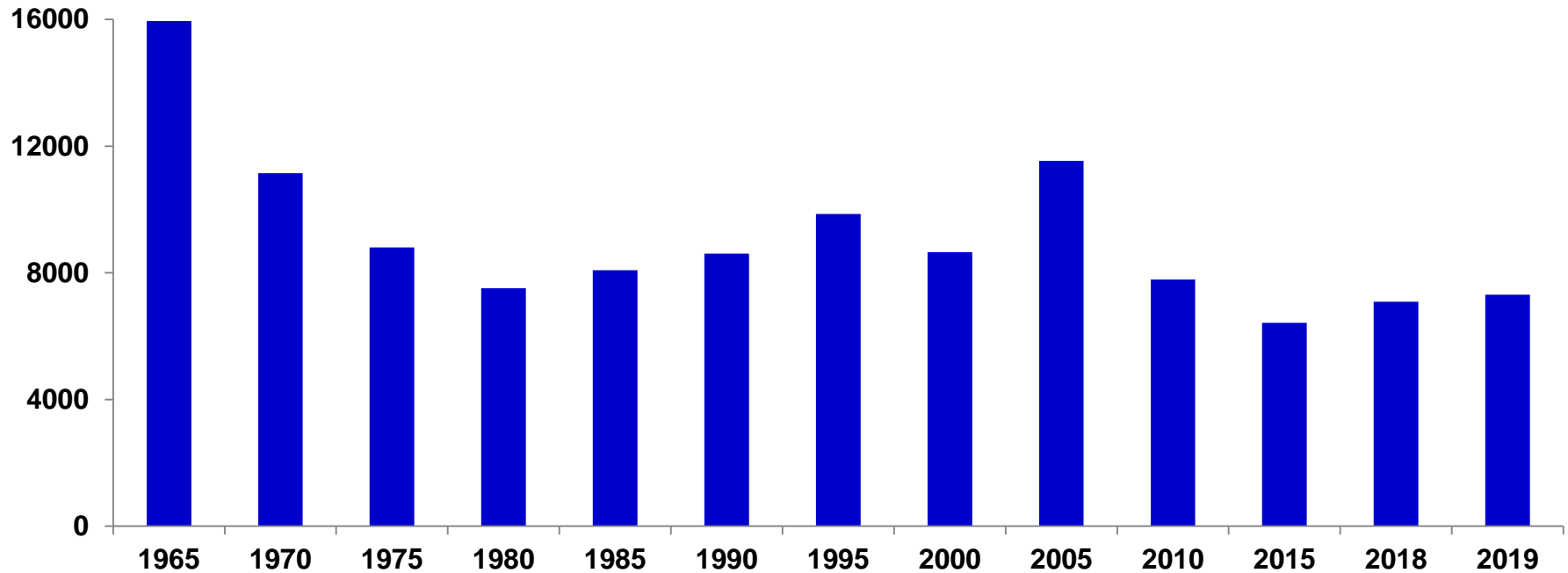


Participation banks are included.

Source: BRSA



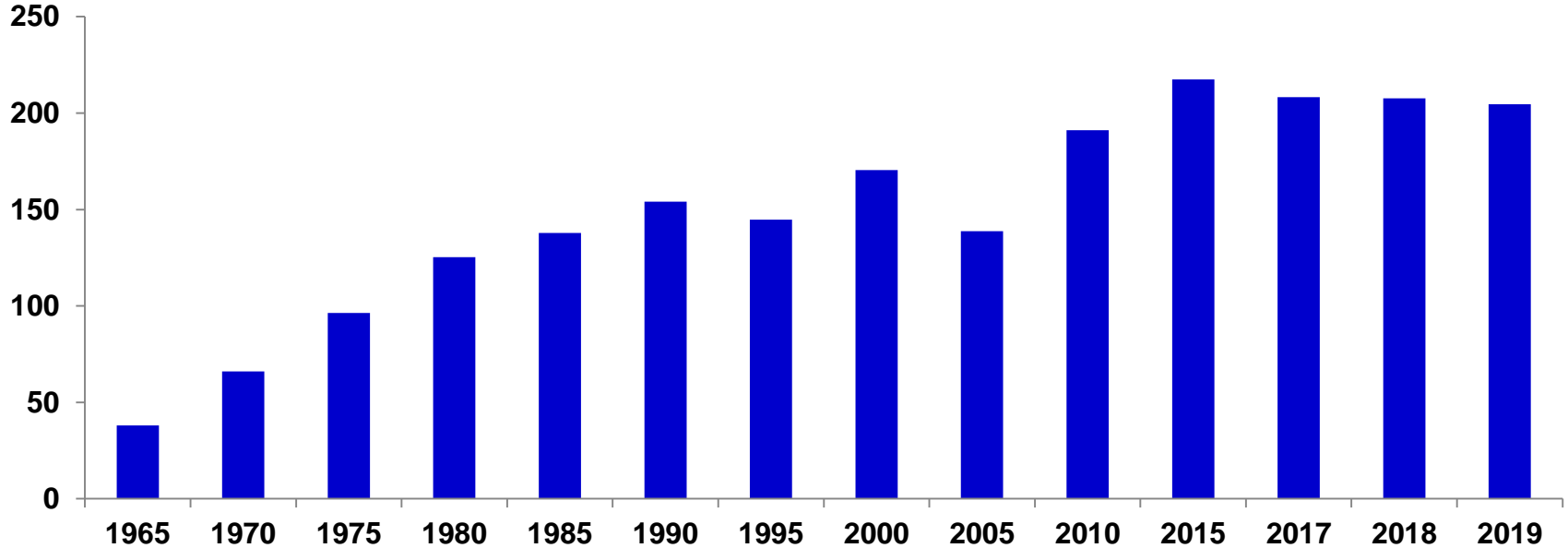
Population per Branch (People)



Participation banks are included.

Source: BRSA

Number of Employees (Thousand)

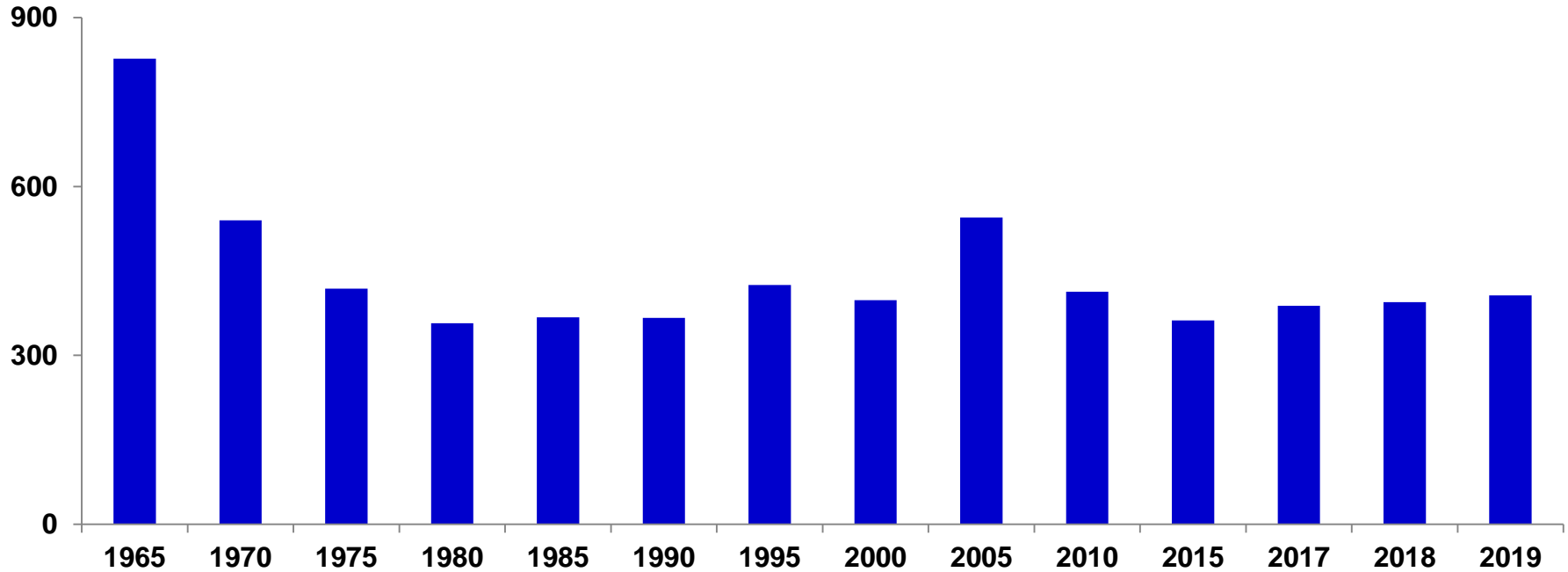


Participation banks are included.

Source: BRSA



Population per Employee (People)



Participation banks are included.

Source: BRSA

Distribution of Employees by Sex (Percentage)

1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2018 2019

Female	25	32	35	35	33	35	37	41	47	50	51	51	51
Male	75	68	65	65	67	65	63	59	53	50	49	49	49

Source: BAT

Ownership Structure (In terms of paid-in capital, perc.)

		2007	2010	2015	2018	2019
Trading in BIST		15.4	16.2	13.6	11.5	11.6
Other	Resident	57.2	56.2	53.4	53.7	54.7
	Non-Resident	27.4	27.7	33.0	34.8	33.7

Source: BAT

Numbers of ATM, POS, Debit Cards and Credit Cards

	2002	2005	2010	2015	2018	2019
ATM (Thousand)	12	15	28	48	52	53
POS (Thousand)	496	1,141	1,824	2,158	1,587	1,599
Debit Cards (Thousand)	35,057	48,243	69,917	112,384	146,375	166,211
Volume of transactions/gdp (billion TL)	-	-	217,064	494,642	809,455	976,158
Volume of transactions/gdp (perc.)	-	-	18.7	21.2	21.7	22.8
Credit Cards (Thousand)	15,705	29,978	46,956	58,215	66,305	69,826
Volume of transactions/gdp (billion TL)	-	-	217,648	546,086	794,305	929,687
Volume of transactions/gdp (perc.)	-	-	18.8	23.4	21.3	21.7

Source: The Interbank Card Center

Internet Banking

	2005	2010	2015	2018	2019
Number of Active Customers (Million)	3.2	6.7	16.2	12.5	12.0
Volume of Transactions (Billion TL)	287	1,030	2,920	5,570	5,441
Volume of Transactions/gdp (perc.)	43	89	125	150	127

Source: BAT

Concentration (In terms of total assets)

	2005	2010	2015	2018	2019
First 5 largest banks	63	63	58	56	56
First 10 largest banks	85	87	85	86	86

Source: BAT

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

Thank You

