



# **The Banking Sector in Turkey**

## **2011 – December 2015**

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:

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Latest update: February 2016



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# General Information



## Banking Sector in Turkey

- As of December 2015, there are 50 banks in total, 32 of them being deposit, 13 development and investment and 5 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.

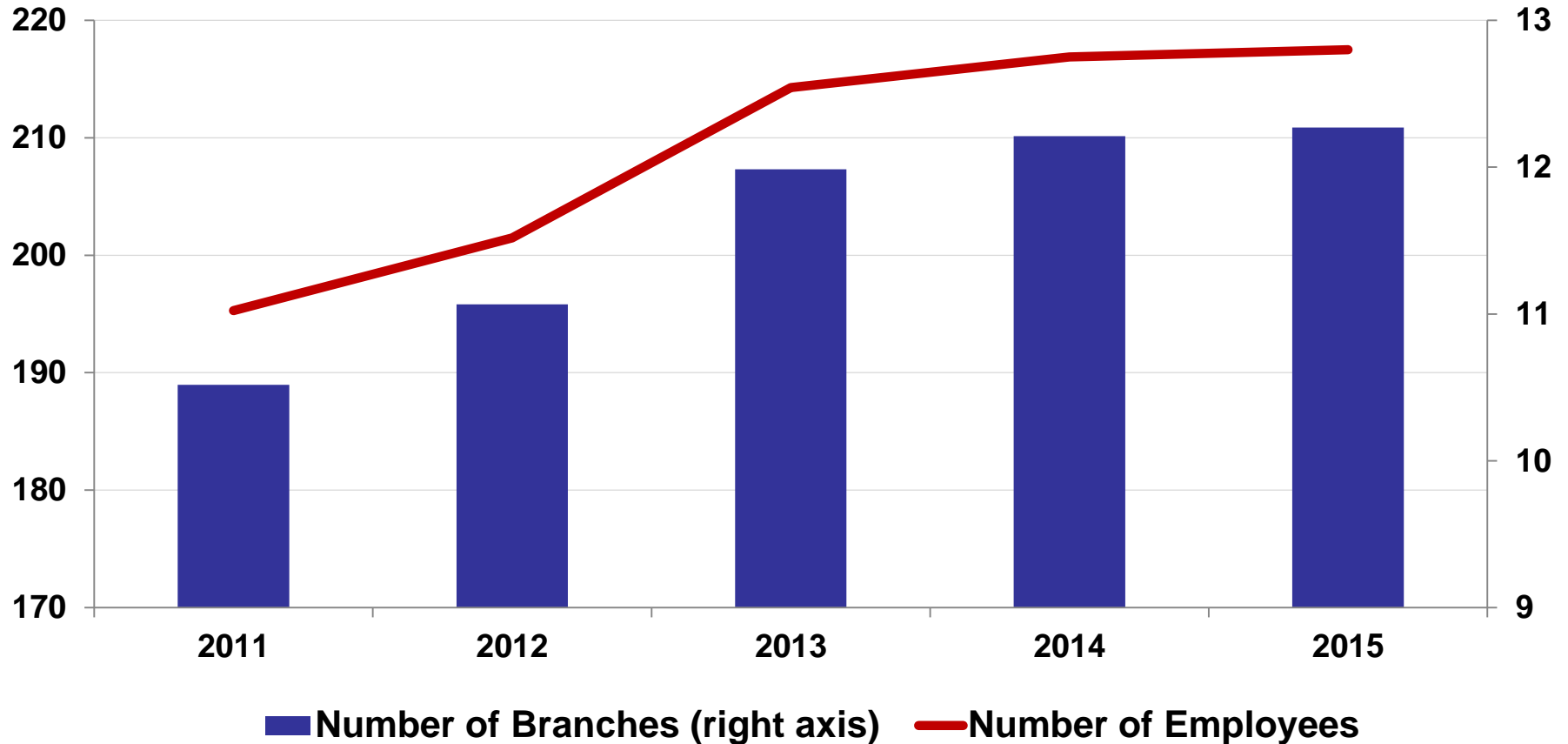
## Number of Banks

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Deposit Banks</b>	<b>30</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>
State-owned	3	3	3	3	3
Private	11	12	12	10	8
Foreign	16	16	17	19	21
SDIF	1	1	1	-	-
<b>Development and Investment Banks</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Participation Banks</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>
<b>Total</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>49</b>	<b>50</b>

The data of SDIF banks are excluded as from February 2014 by BRSA..

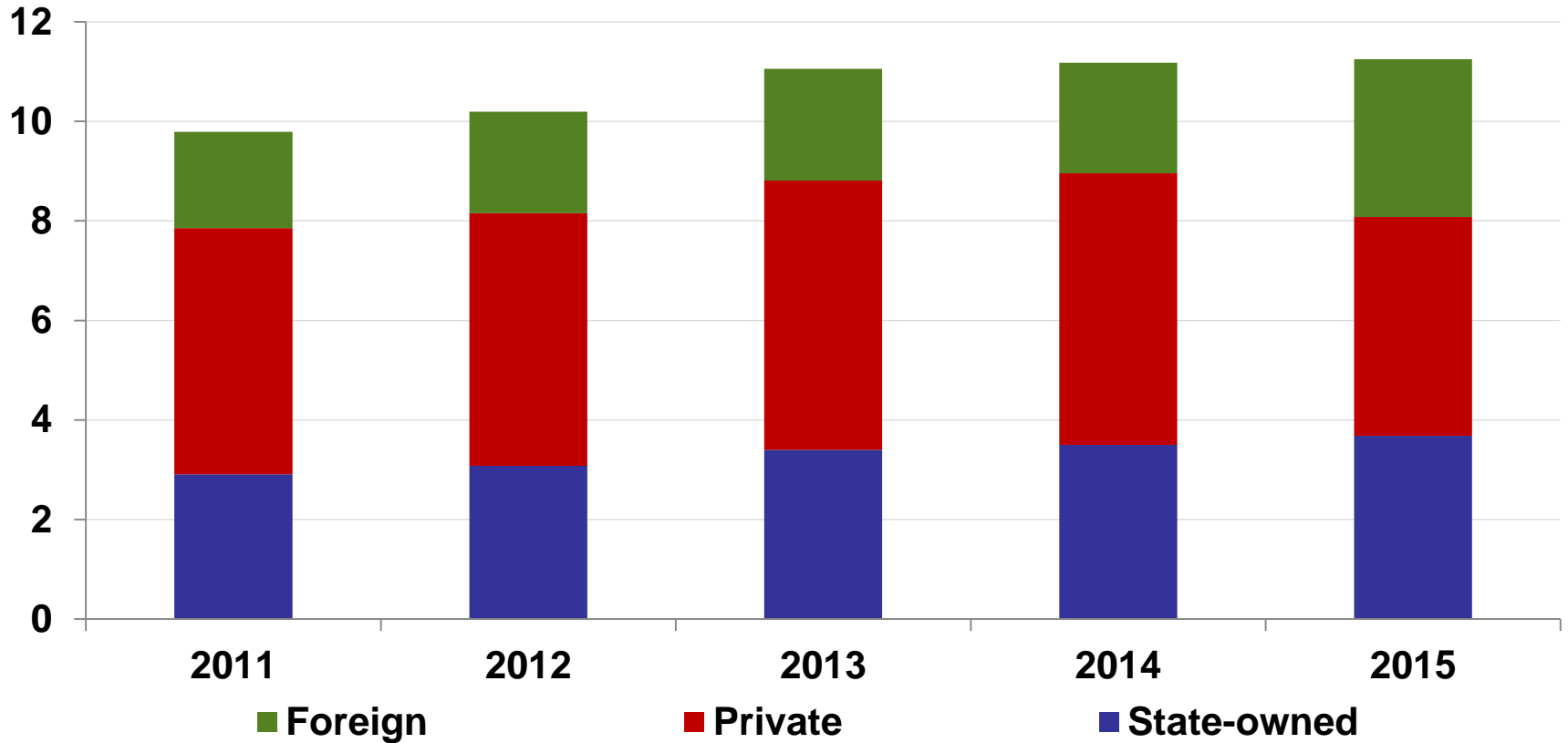
Source: BRSA

## Number of Branches and Employees (Thousand)



Participation banks are included.  
Source: BRSA

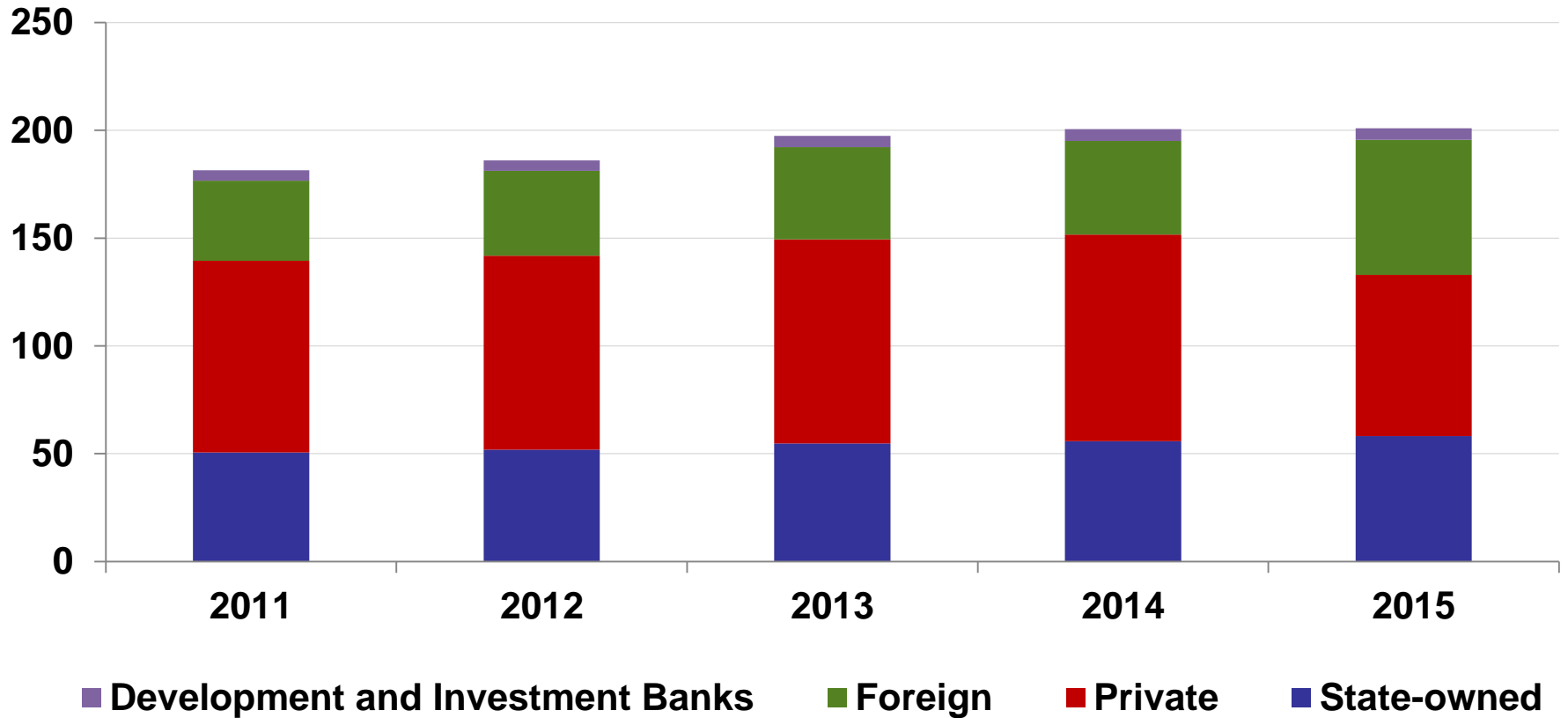
## Number of Branches of Deposit Banks (Branches abroad are included, thousand)



Number of branches of development and investment banks are 40 as of December 2015 .  
Source: BRSA



## Number of Employees (Thousand)



Source: BRSA

## Distribution of Employees by Sex (Percentage)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Female</b>	49.8	50.1	50.9	51.1	51.2
<b>Male</b>	50.2	49.9	49.1	48.9	48.8

Source: BAT

## Ownership Structure \*

(In terms of paid-in capital, as of September 2015, perc.)

	Trading in BIST	Other	
		Resident	Non- Resident
<b>Total</b>	13.9	54.2	31.9
<b>Deposit Banks</b>	17.4	40.4	42.2
<b>State-owned</b>	14.2	85.8	0.0
<b>Private</b>	30.8	47.0	22.1
<b>SDIF</b>	0.0	100.0	0.0
<b>Foreign</b>	0.2	2.1	97.6
<b>Development and Investment Banks</b>	4.3	92.2	3.5

\* 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, perc.)

Years	Trading in BIST	Other	
		Resident	Non- Resident
<b>2007</b>	15.4	57.2	27.4
<b>2008</b>	16.3	55.1	28.6
<b>2009</b>	15.8	55.8	28.4
<b>2010</b>	16.2	56.2	27.7
<b>2011</b>	15.4	57.0	27.7
<b>2012</b>	16.3	55.9	27.8
<b>2013</b>	15.4	55.1	29.6
<b>2014</b>	14.8	54.8	30.4
<b>Sep-15</b>	<b>13.9</b>	<b>54.2</b>	<b>31.9</b>

\* 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>ATM</b>	32	36	42	46	48
<b>POS</b>	1,977	2,134	2,293	2,191	2,158
<b>Debit Cards</b>	81,880	91,263	100,165	105,513	112,384
<b>Credit Cards</b>	51,361	54,342	56,835	57,007	58,215

Source: The Interbank Card Center

# Number of customers in Internet Banking and Volume of Transactions

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Number of Active Customers (Million)</b>	8.6	10.6	12.4	14.3	16.2
<b>Volume of Transactions (TL Billion)</b>	1,551	1,770	2,53	2,561	2,920

\* 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)

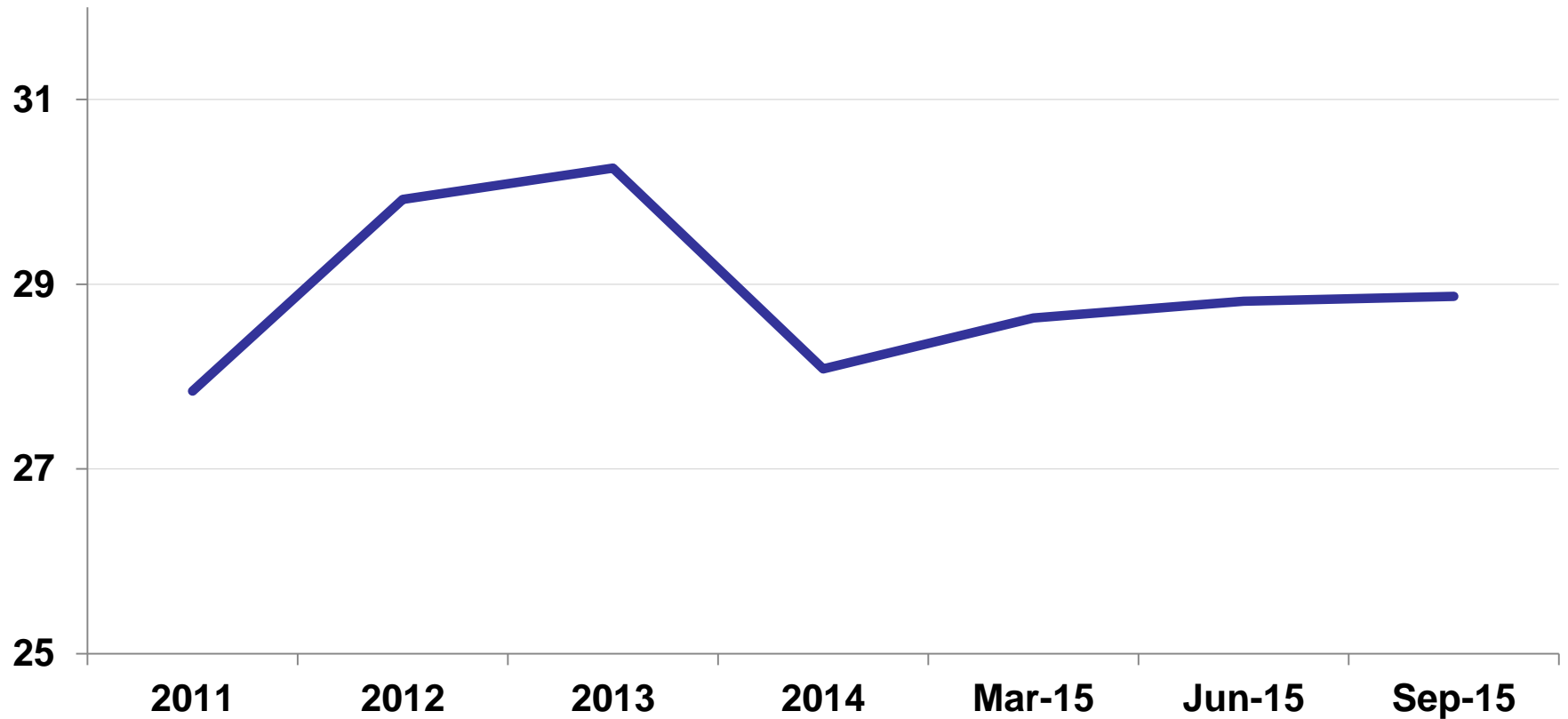
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Sep-15</u>
<b>General* Purpose and Other** Loans</b>					
<b>Total (TL Million )</b>	82,537	94,971	121,894	139,620	144,770
<b>Per Capita (TL Thousand )</b>	7.7	8.3	9.9	7.1	8.3
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Sep-15</u>
<b>Housing Loans</b>					
<b>Total (TL Million)</b>	69,755	79,552	101,322	115,015	132,620
<b>Per Capita (TL Thousand )</b>	54.5	55.4	60	63	67

\*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

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

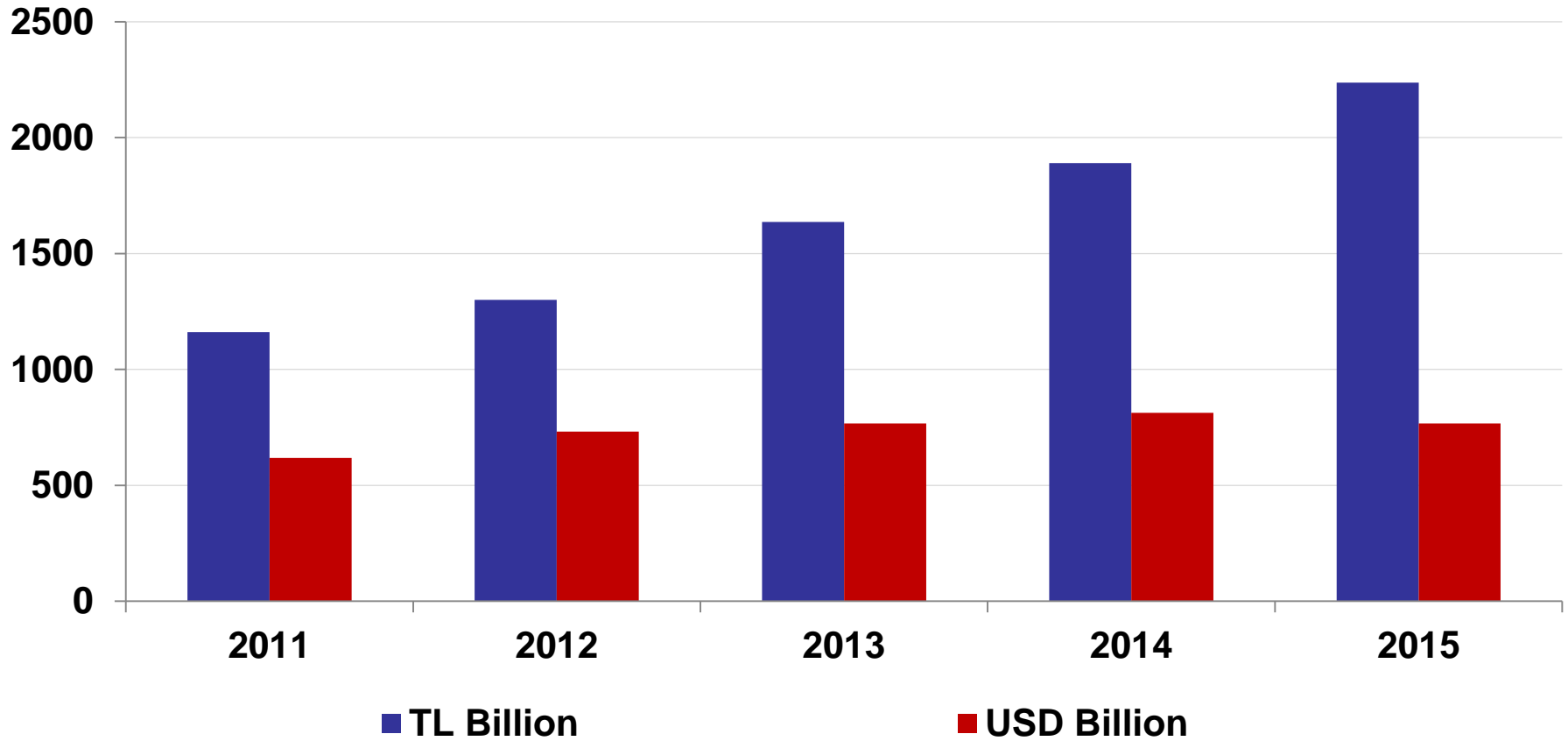


Source: The Interbank Card Center, TurkStat



# Balance Sheet Indicators

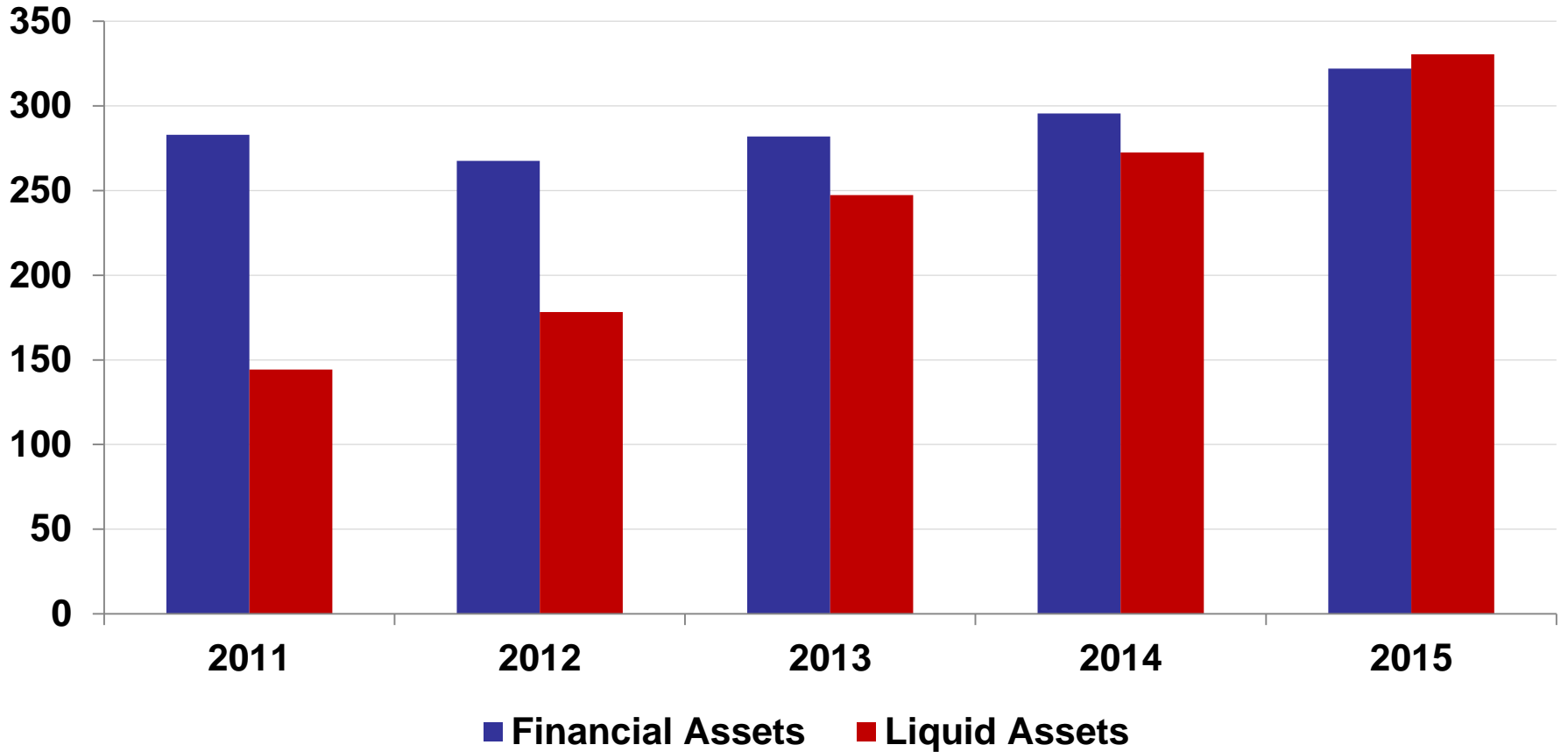
# Total Assets



Source: BRSA

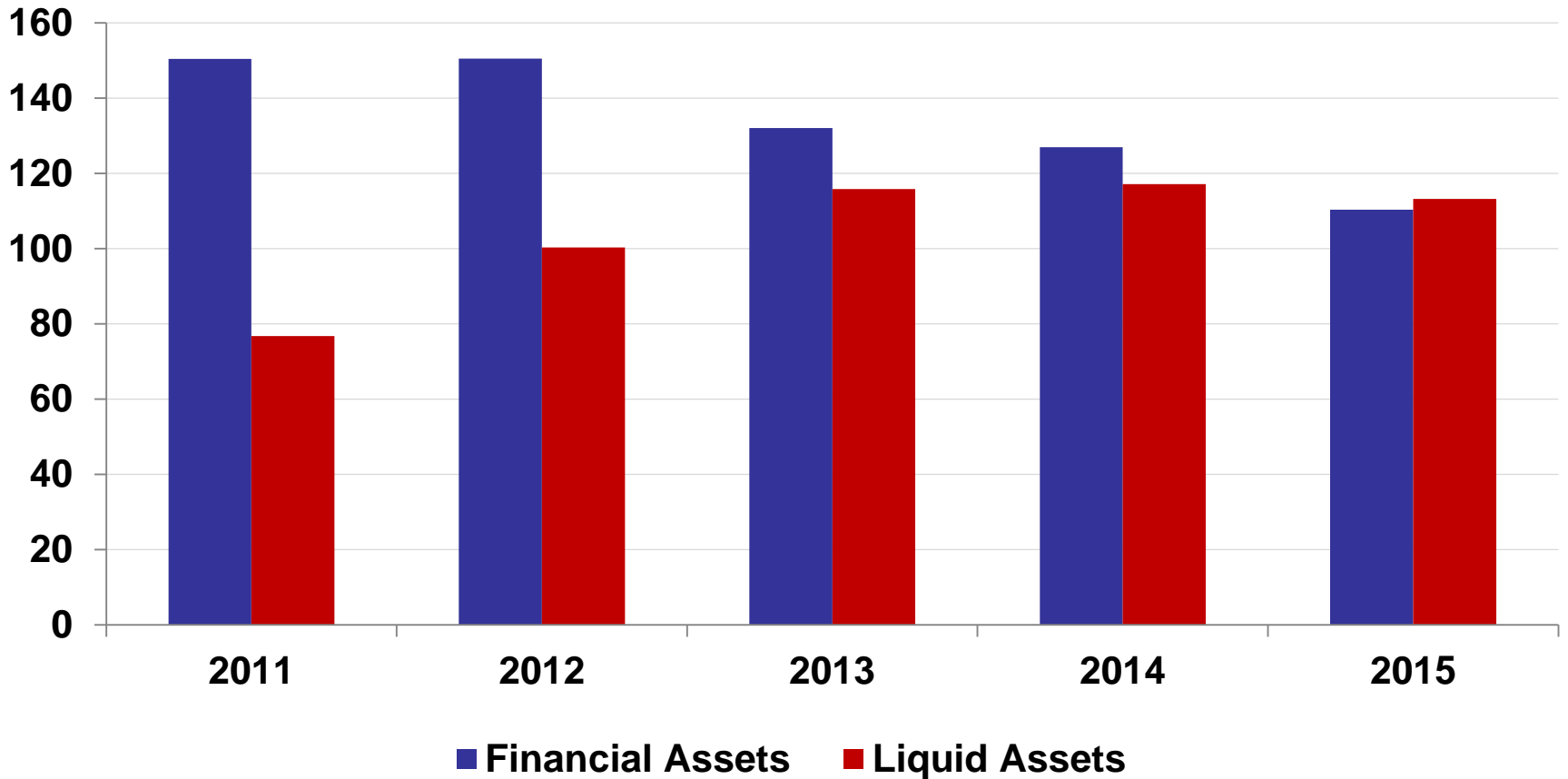


## Financial Assets and Liquid Assets (Billion TL)



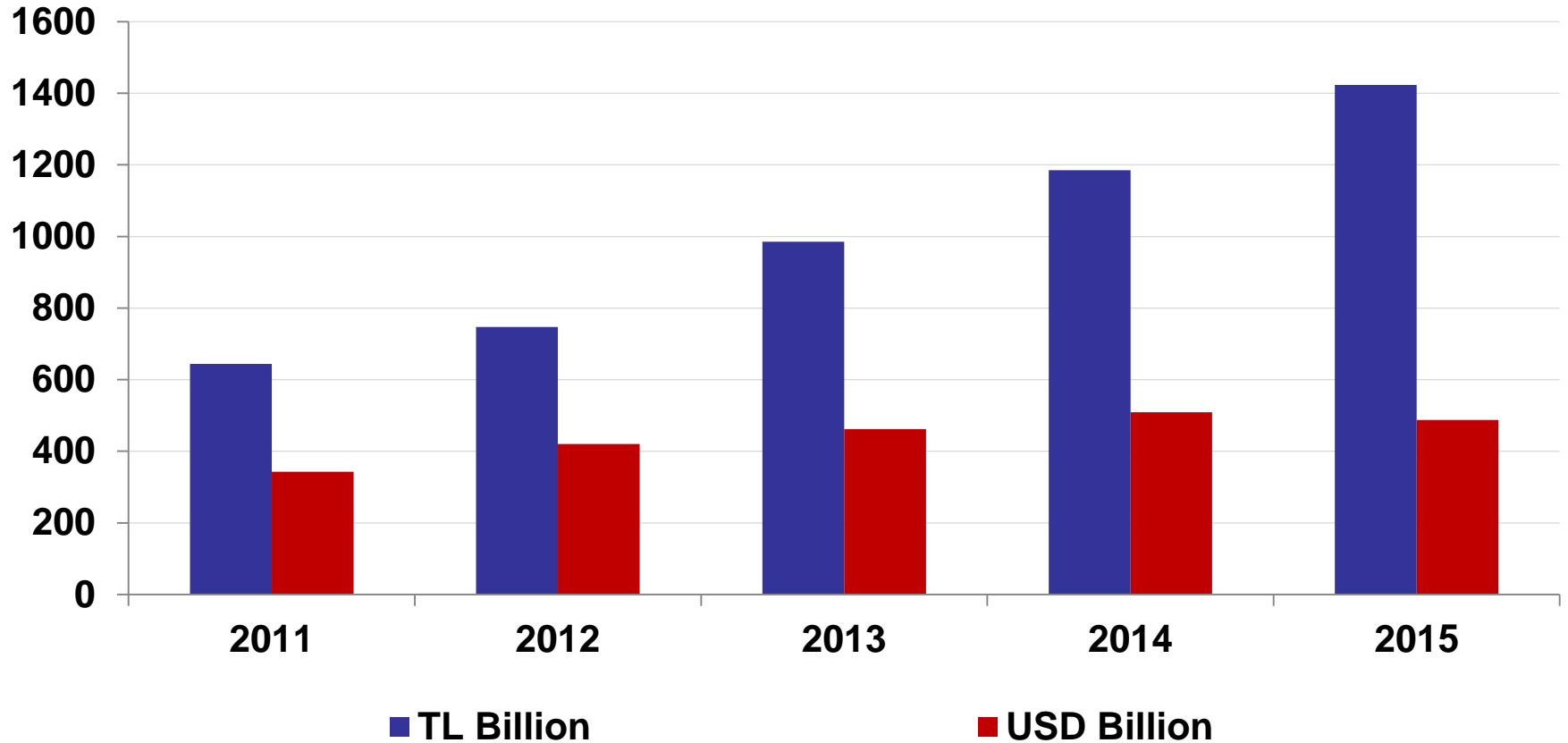
Source: BRSA

## Financial Assets and Liquid Assets (Billion USD)



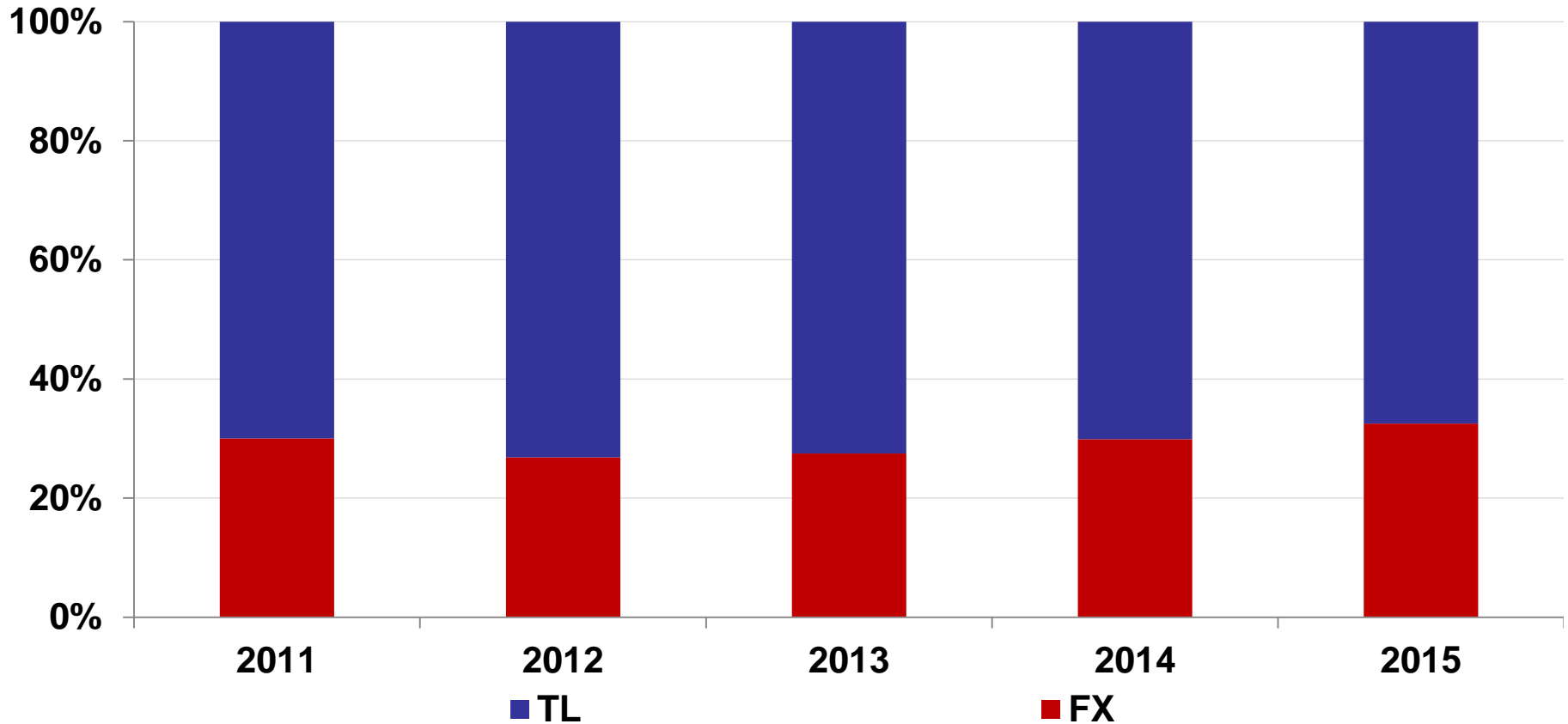
Source: BRSA

# Loans and Receivables



Source: BRSA

## Distribution of Loans and Receivables (Percentage)



Source: BRSA

## Type of Loans\*

(Year over year growth, percent)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Total</b>	28	16	31	16	20
<b>Retail</b>	29	20	25	1	10
-Credit Cards	26	31	23	-7	11
-Housing	22	15	28	14	14
-Vehicle	26	9	6	-20	-6
-Other	37	17	29	17	6
<b>Corporate</b>	28	14	34	24	24
-SME Loans	28	22	37	27	17

\*Participation banks are included.  
Source: BRSA

## Type of Loans\*

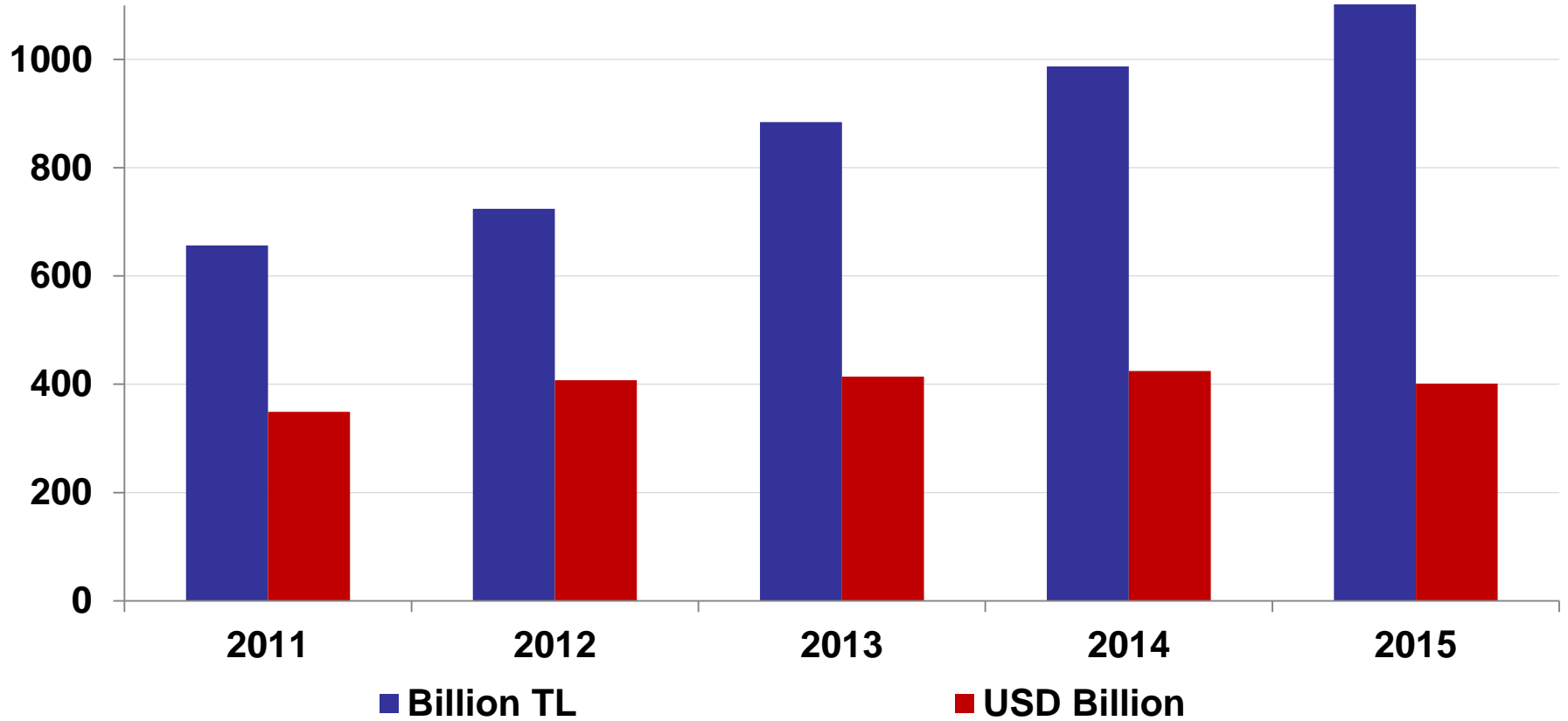
(Year over year growth deflated with CPI, percent)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Total</b>	13	13	23	7	10
<b>Retail</b>	13	17	18	-7	1
-Credit Cards	11	28	15	-15	2
-Housing	8	13	20	4	5
-Vehicle	12	6	-1	-26	-13
-Other	20	14	21	7	-2
<b>Corporate</b>	13	12	25	14	14
-SME Loans	13	19	28	17	8

\*Participation banks are included.  
Source: BRSA, TurkStat

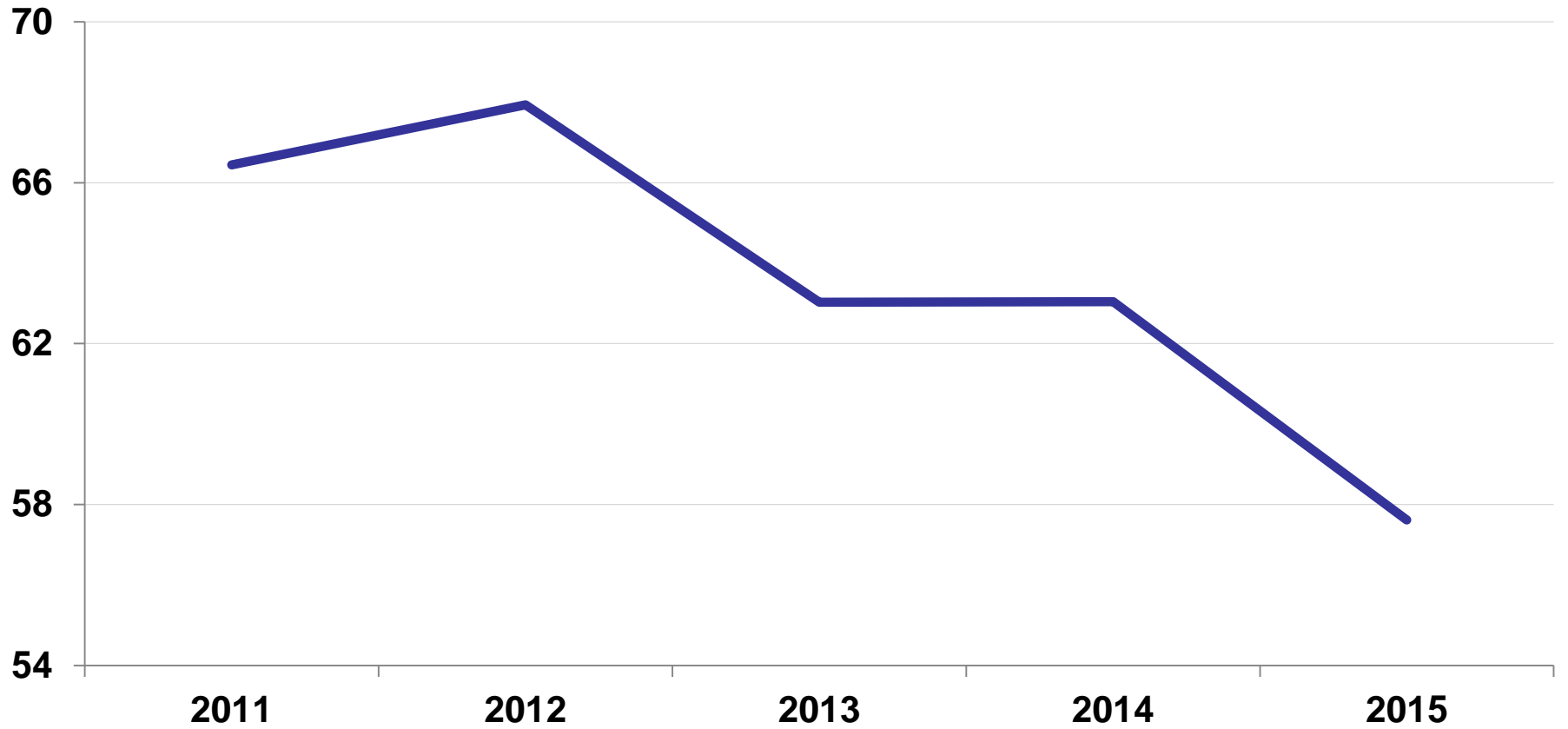


# Deposits



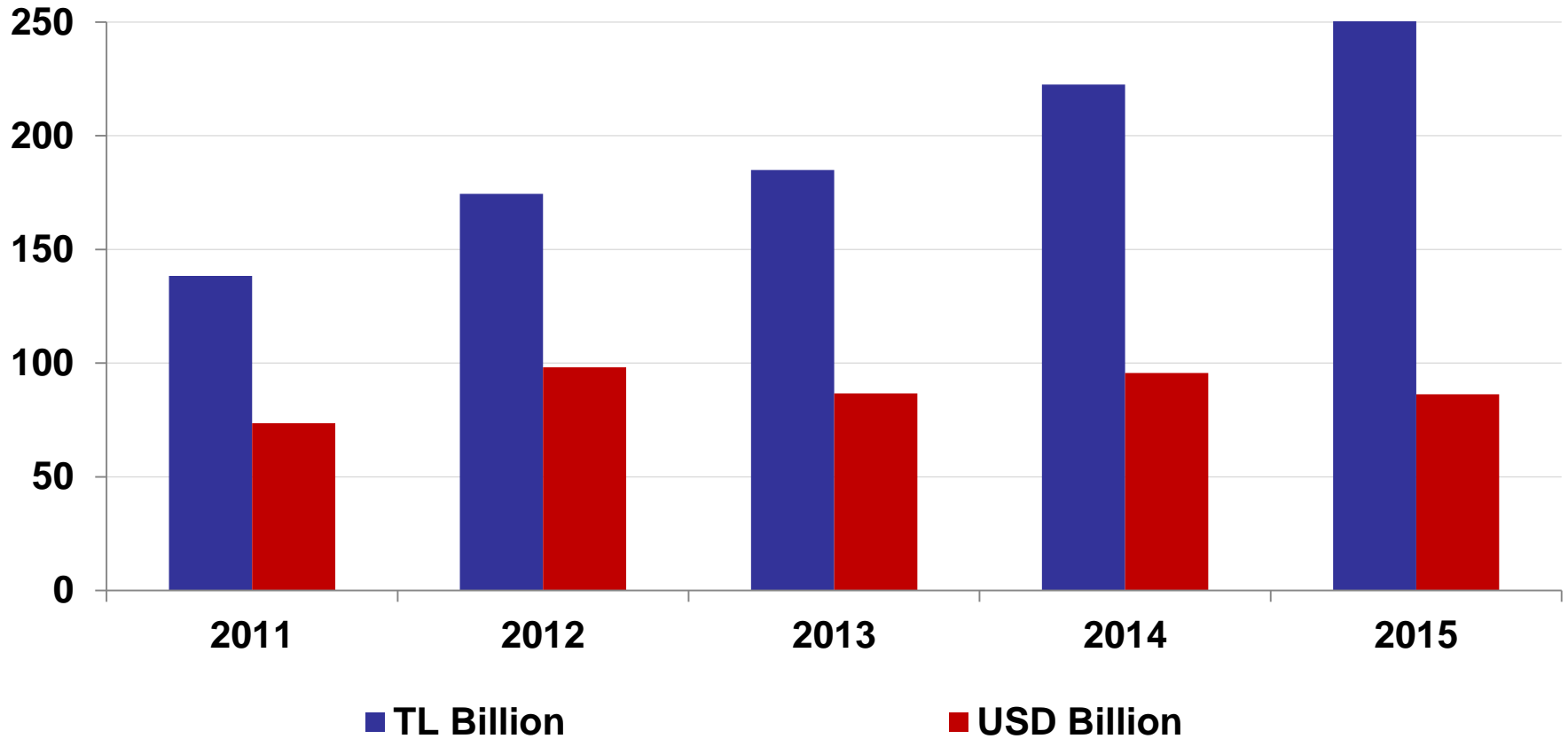
Source: BRSA

## TL Deposits / Total Deposits (Percent)



Source: BRSA

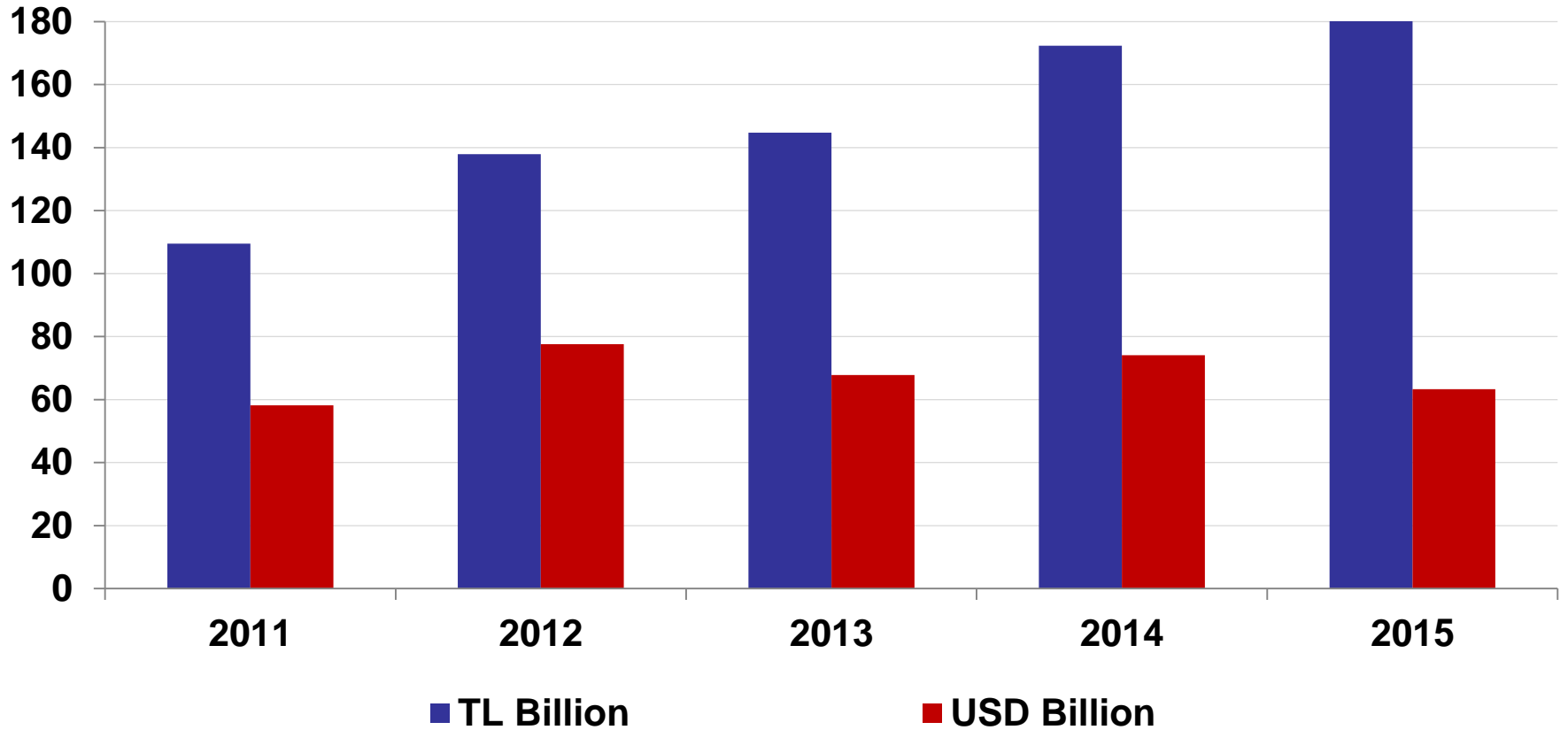
# Shareholder's Equity



Source: BRSA



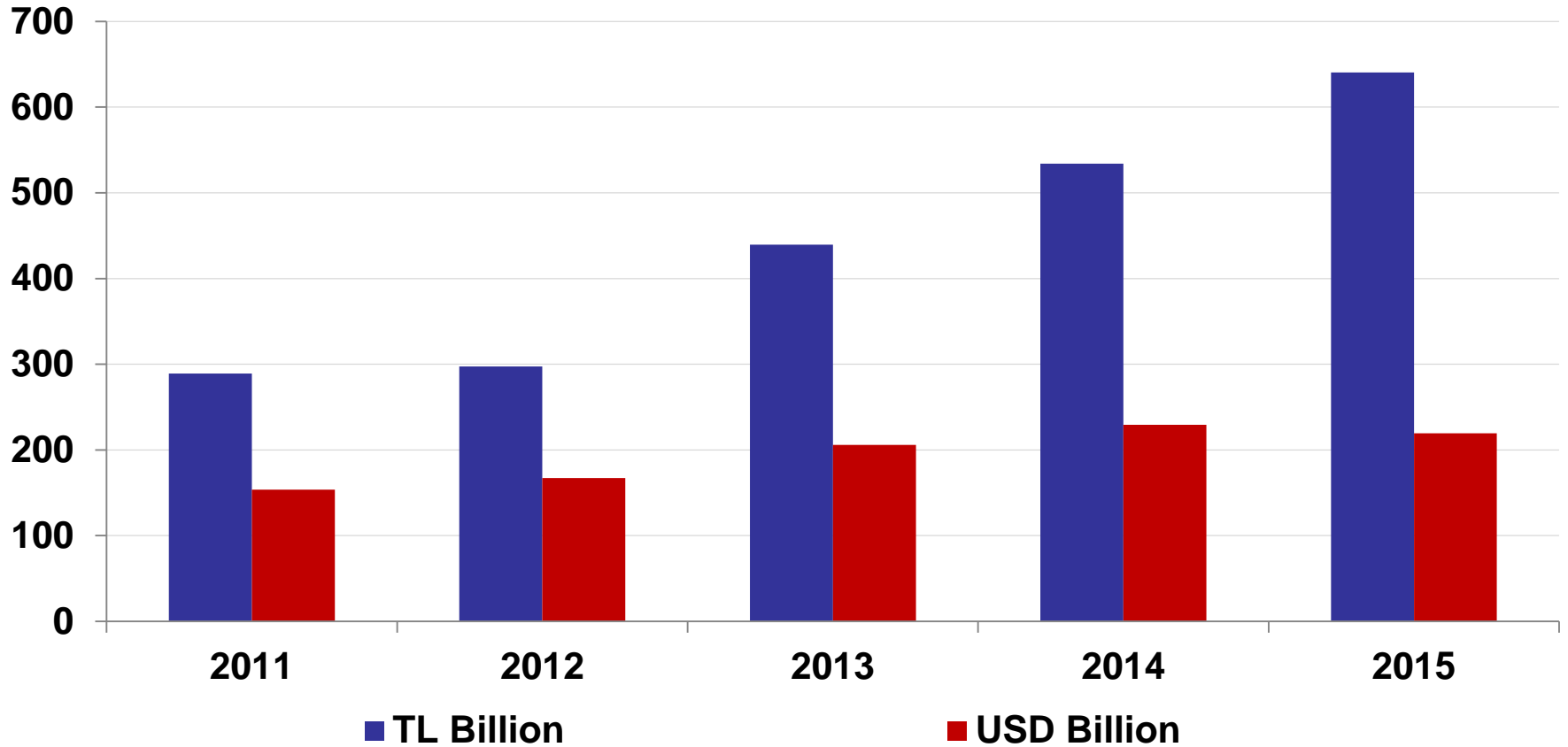
# Free Shareholder's Equity



Source: BRSA



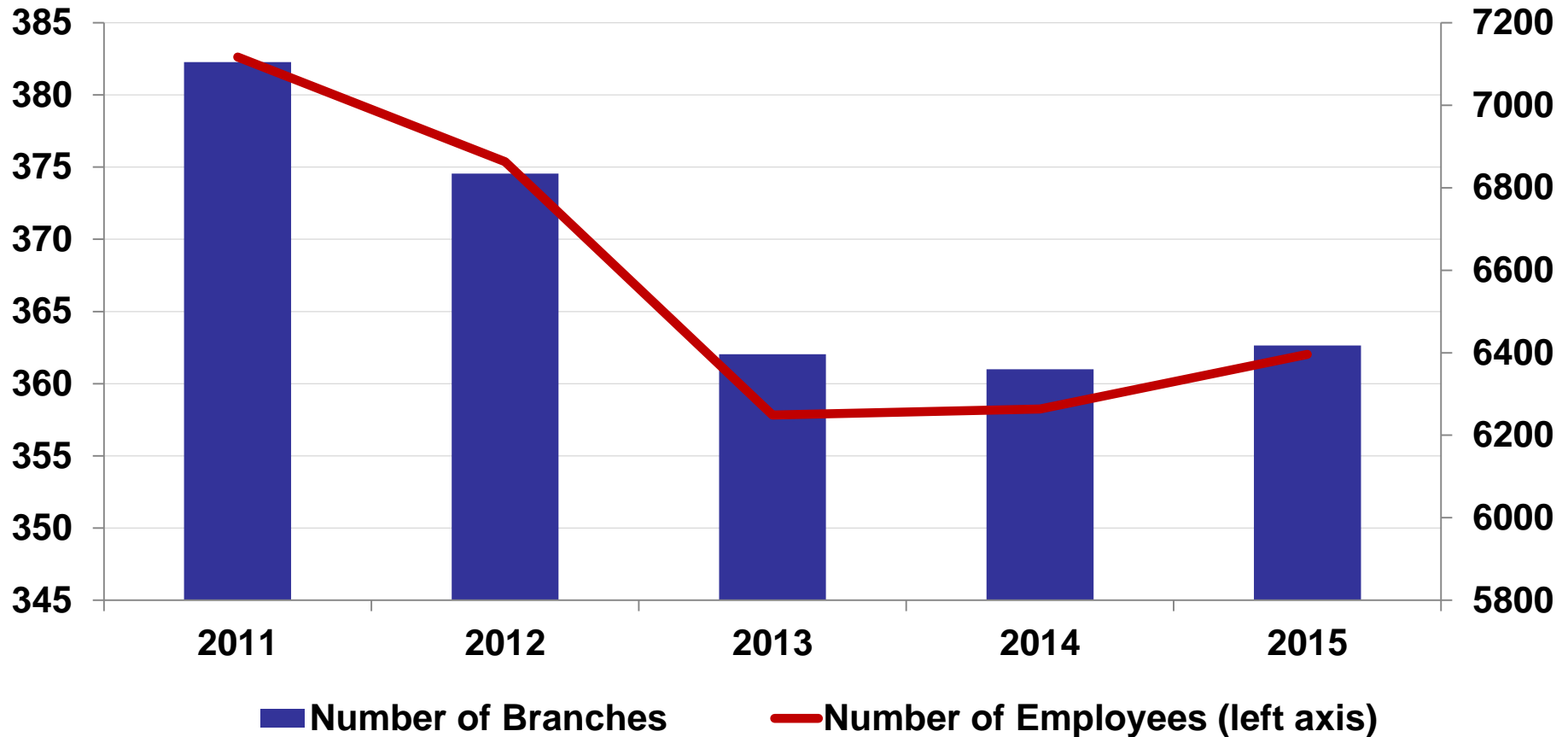
# Non Deposit Funds



Source: BRSA

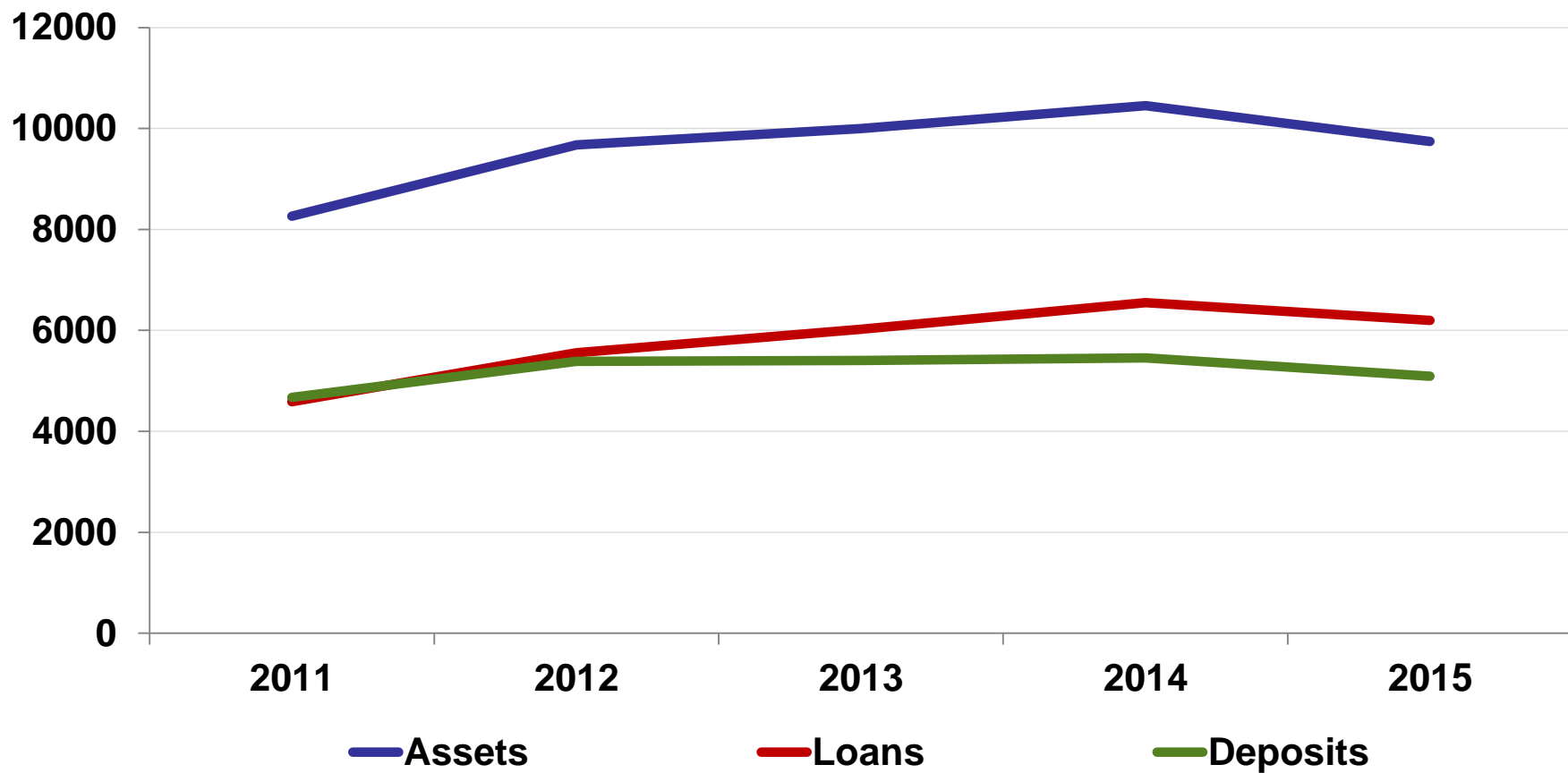
# Selected Indicators

## Branches and Employees Per Capita (Person)



Source: BRSA, TurkStat

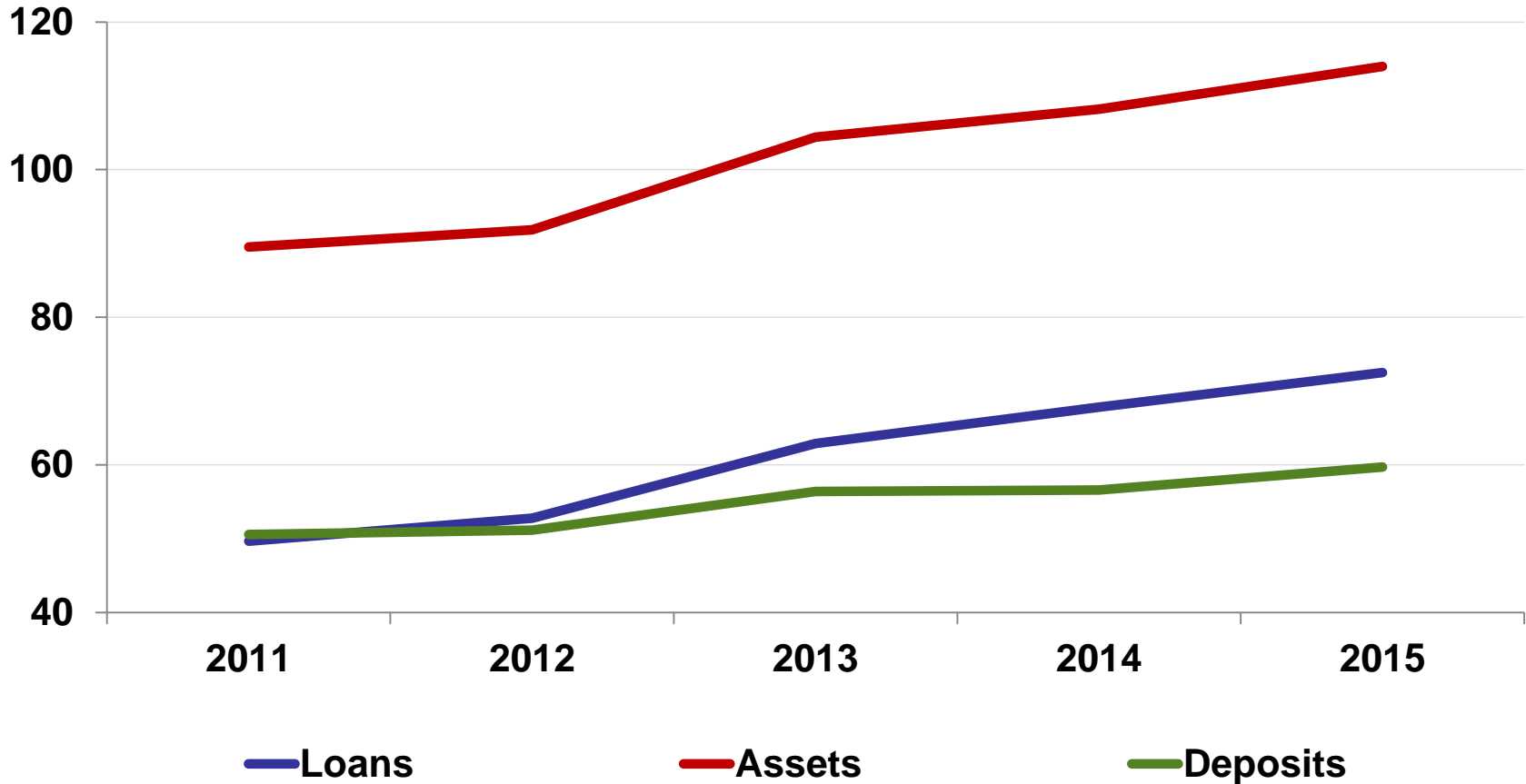
## Assets, Loans and Receivables, Deposits Per Capita (USD)



Source: BRSA, TurkStat

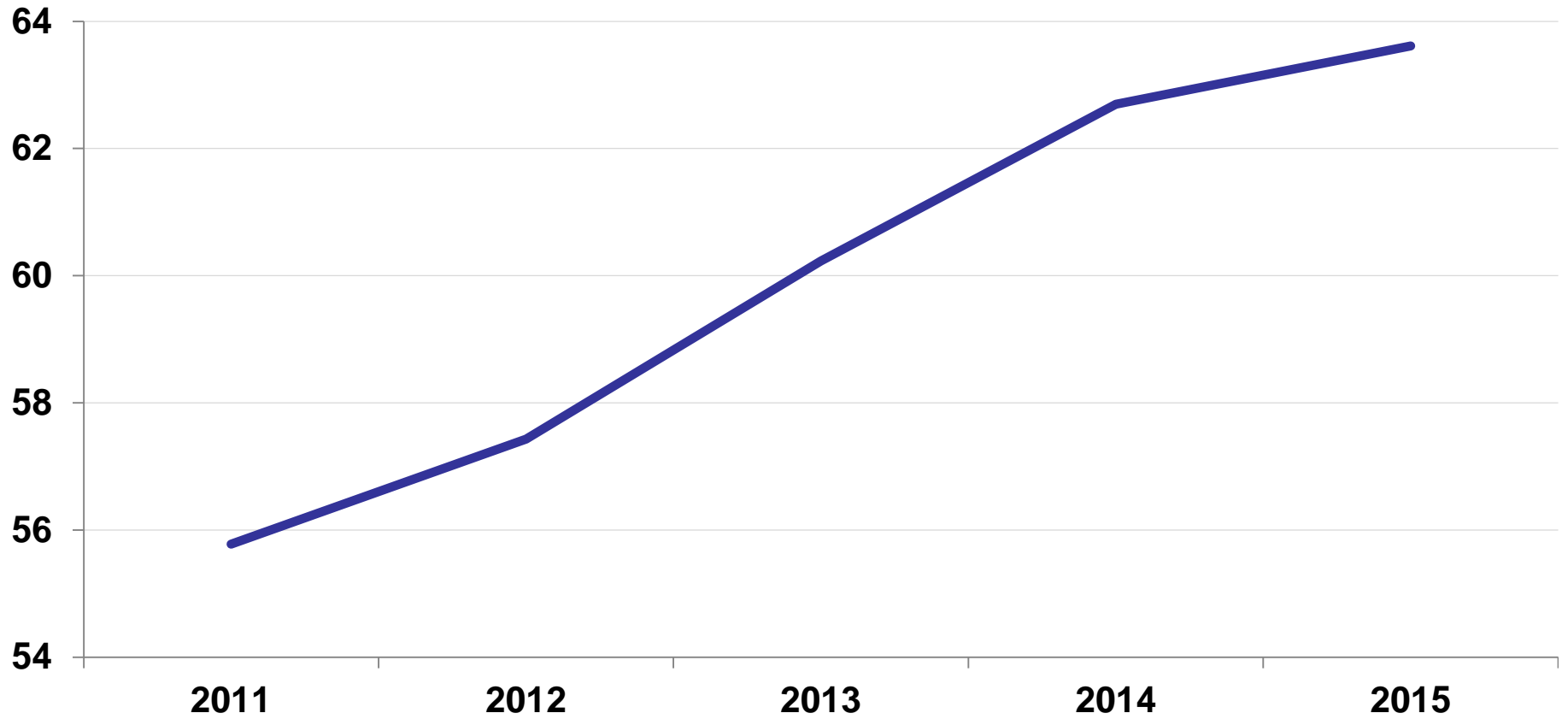


## Selected Balance Sheet Indicators to GDP (Percent)



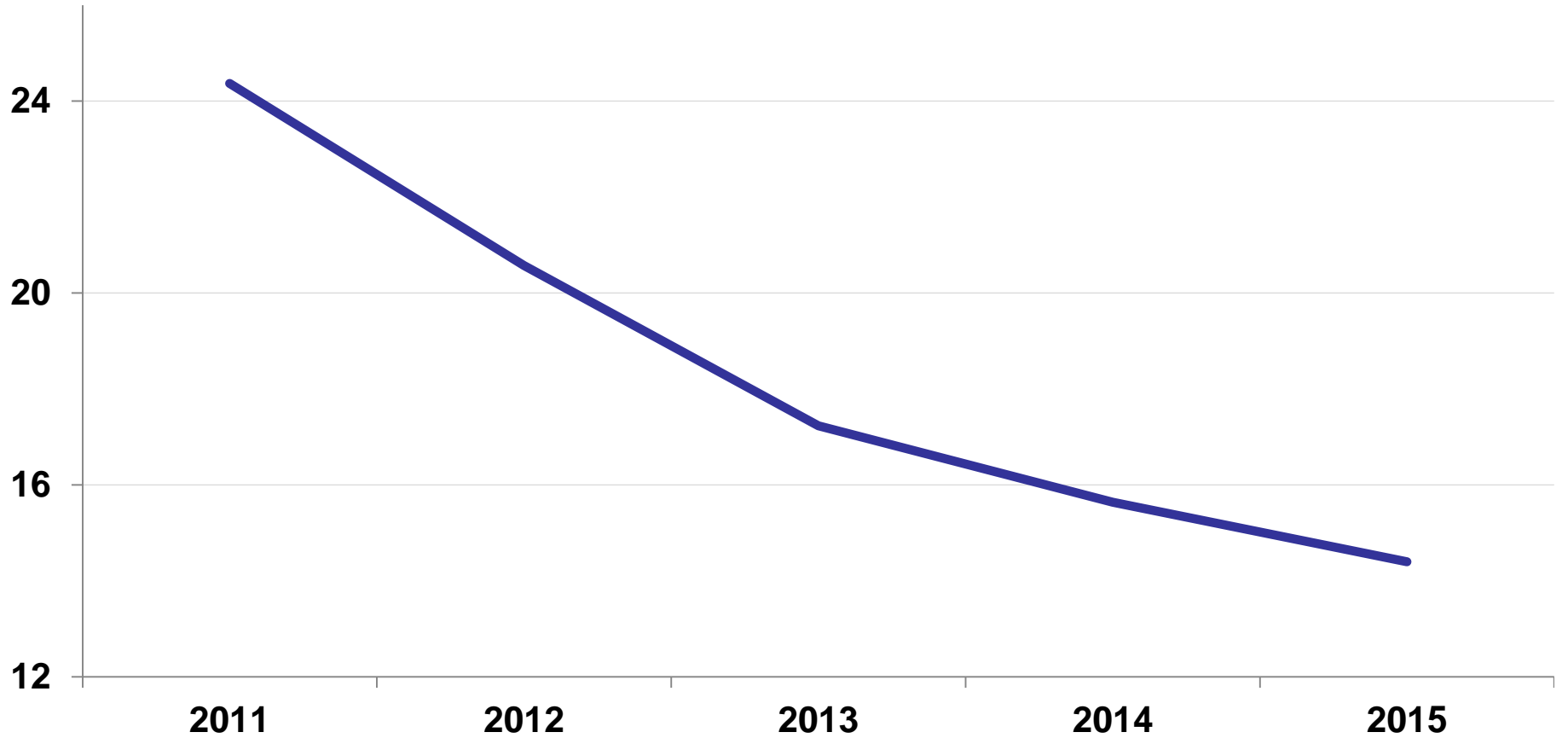
Source: BRSA, TurkStat, BAT

## Loans and Receivables / Total Assets (Percent)



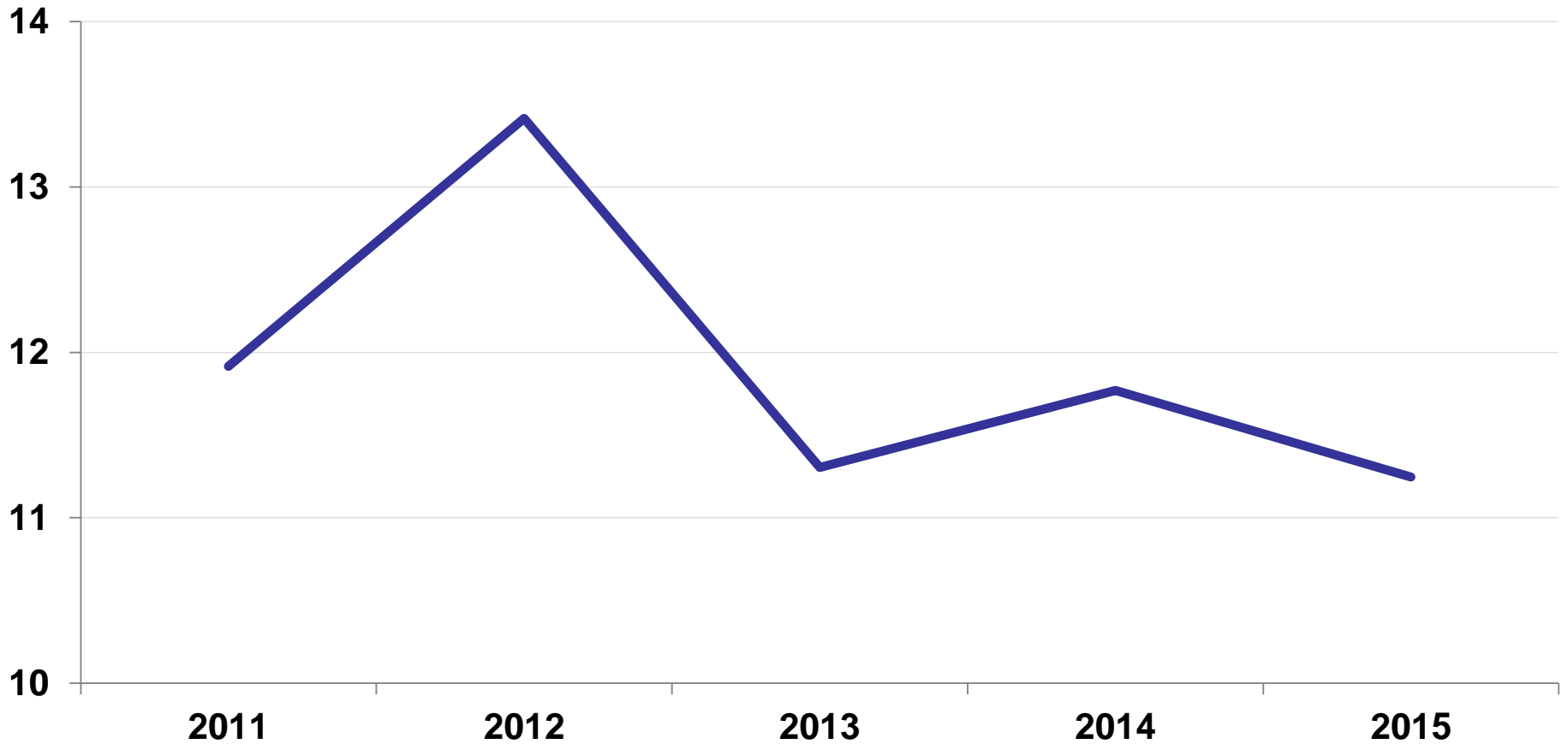
Source: BRSA

## Financial Assets / Total Assets (Percent)



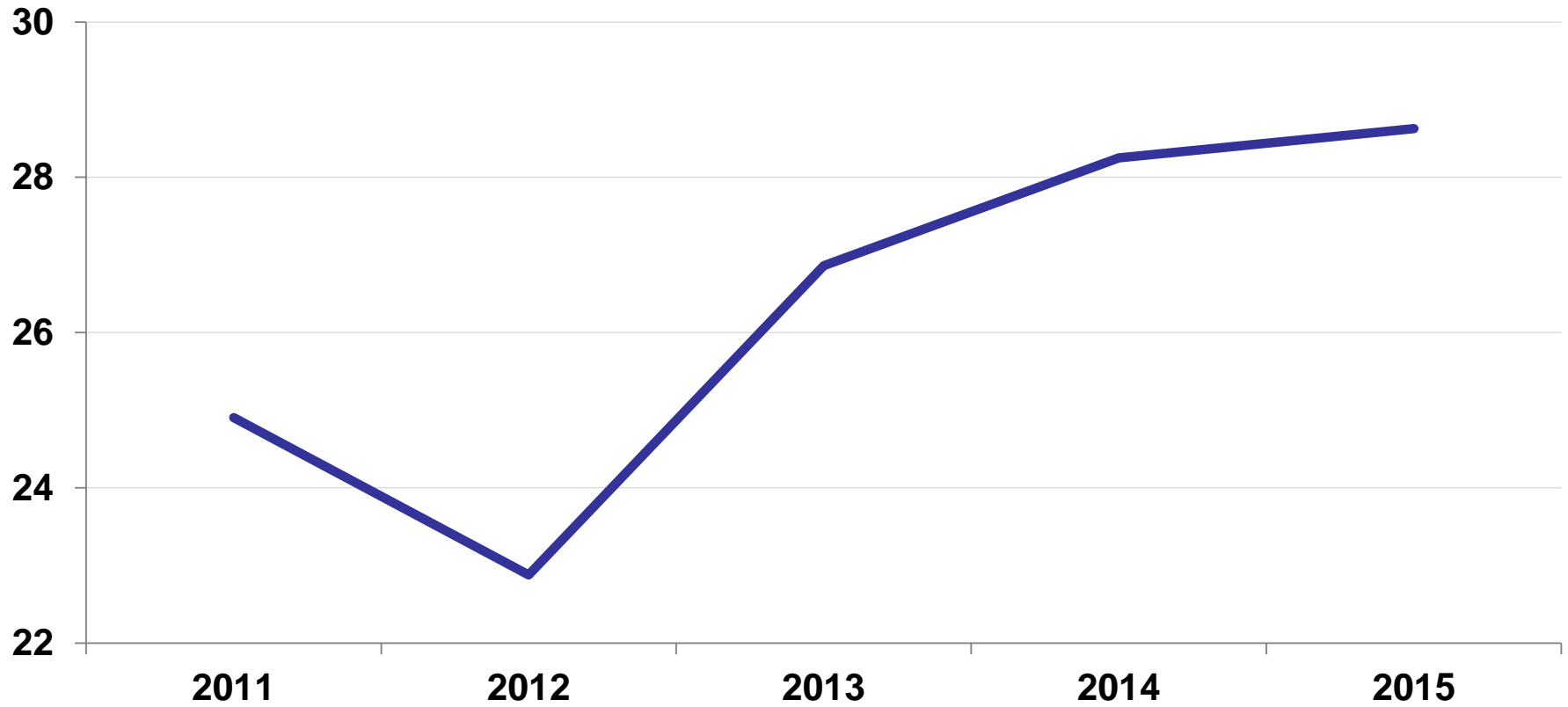
Source: BRSA

## Shareholder's Equity / Total Assets (Percent)



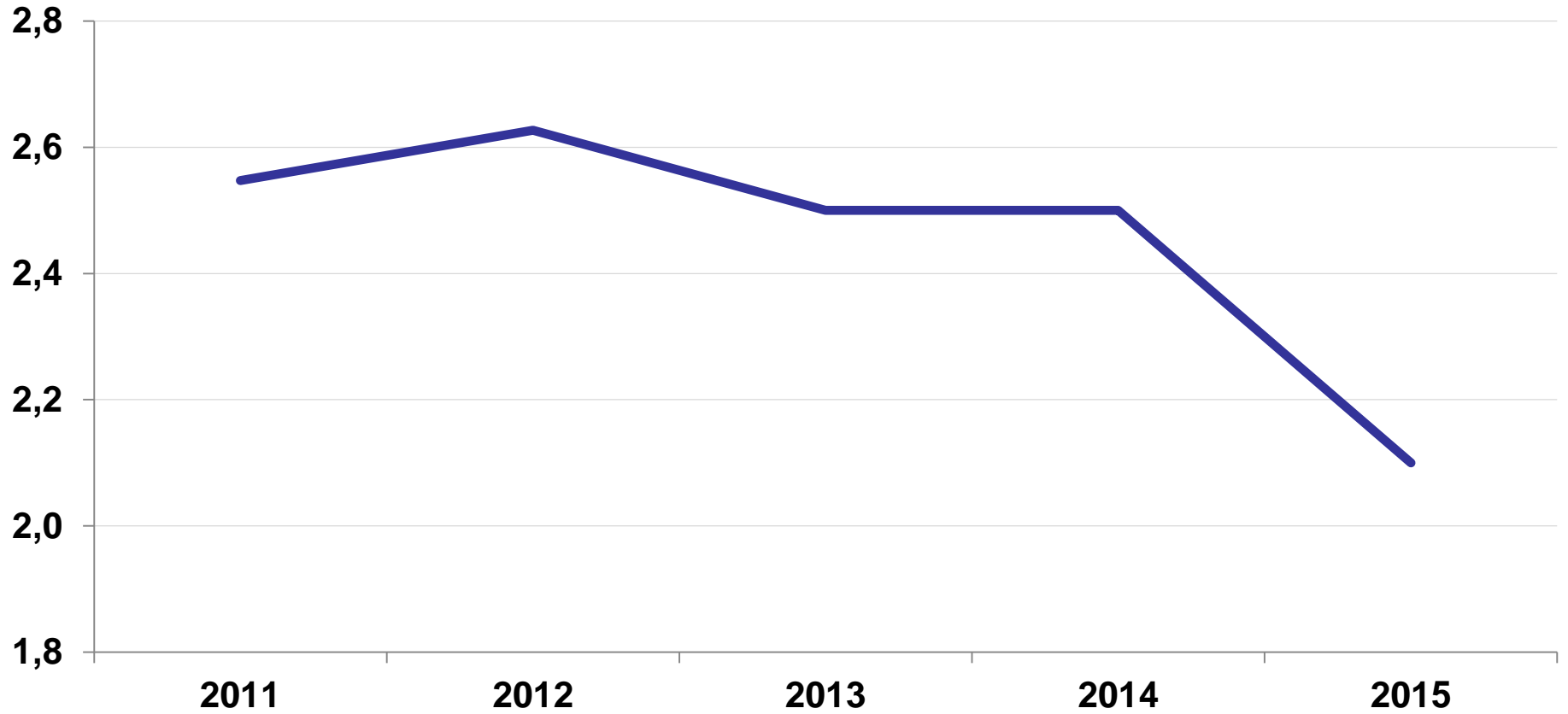
Source: BRSA

## Non-Deposit Funds / Total Assets (Percent)



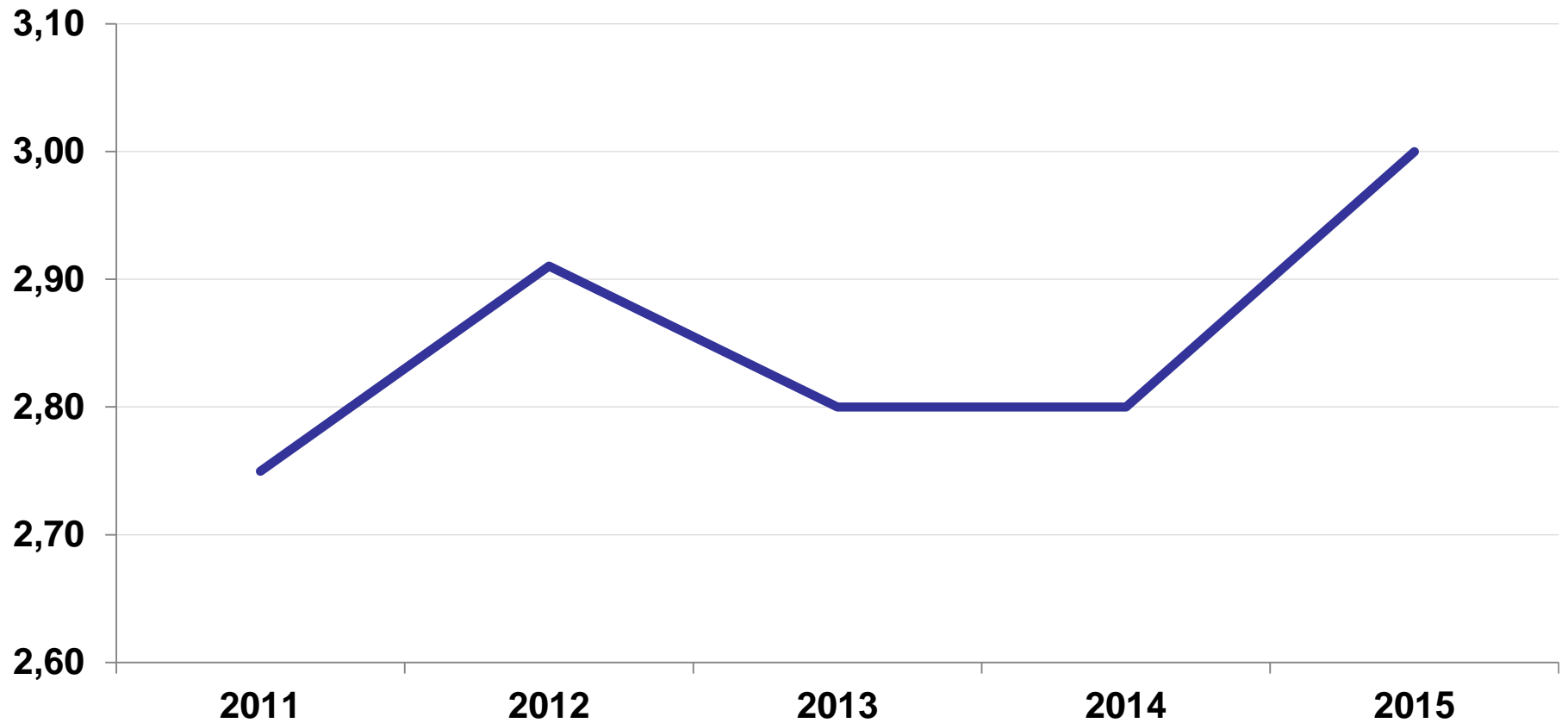
Source: BRSA

## Other Assets / Total Assets (Percent)



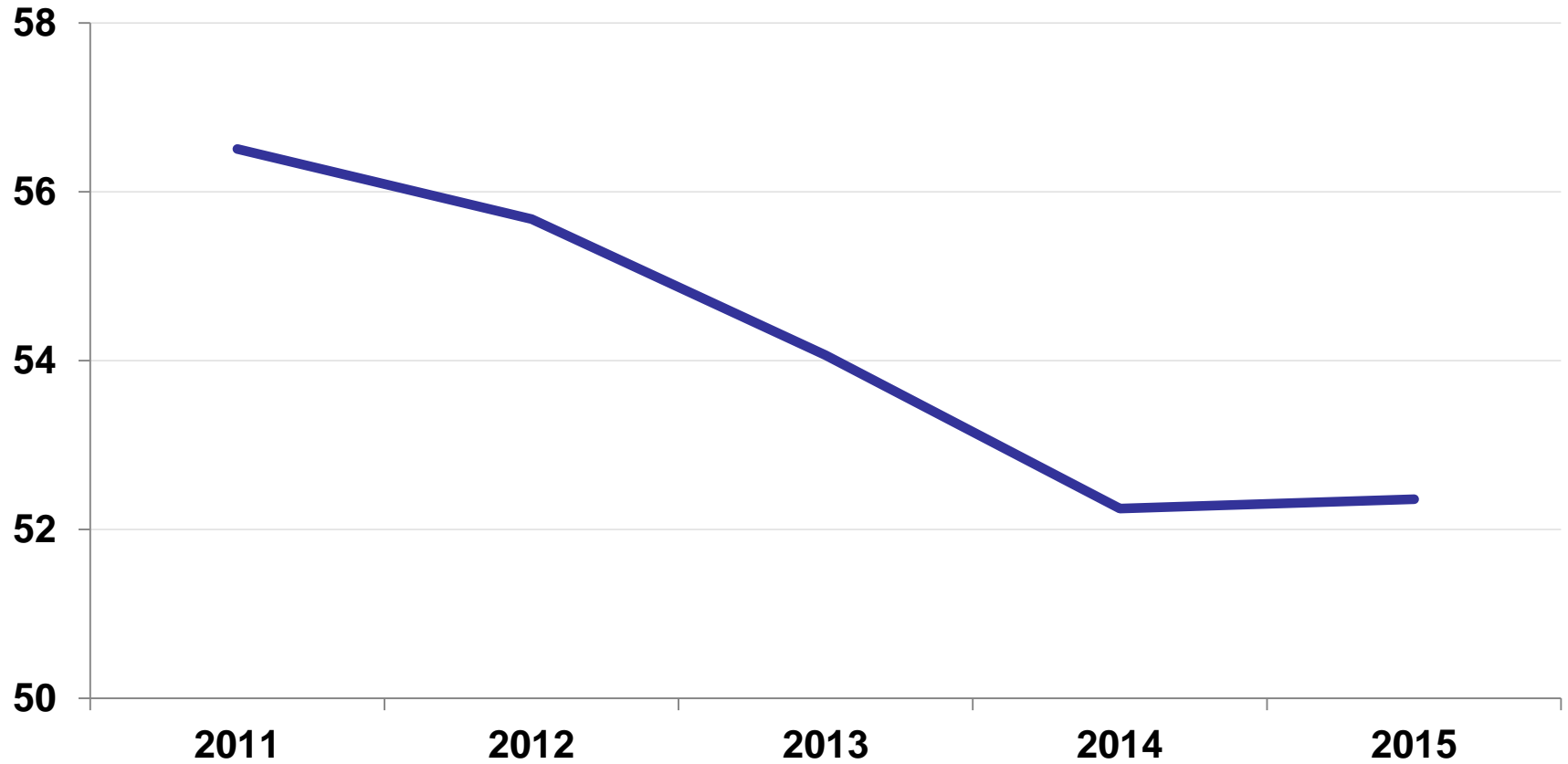
Source: BRSA

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



Source: BRSA

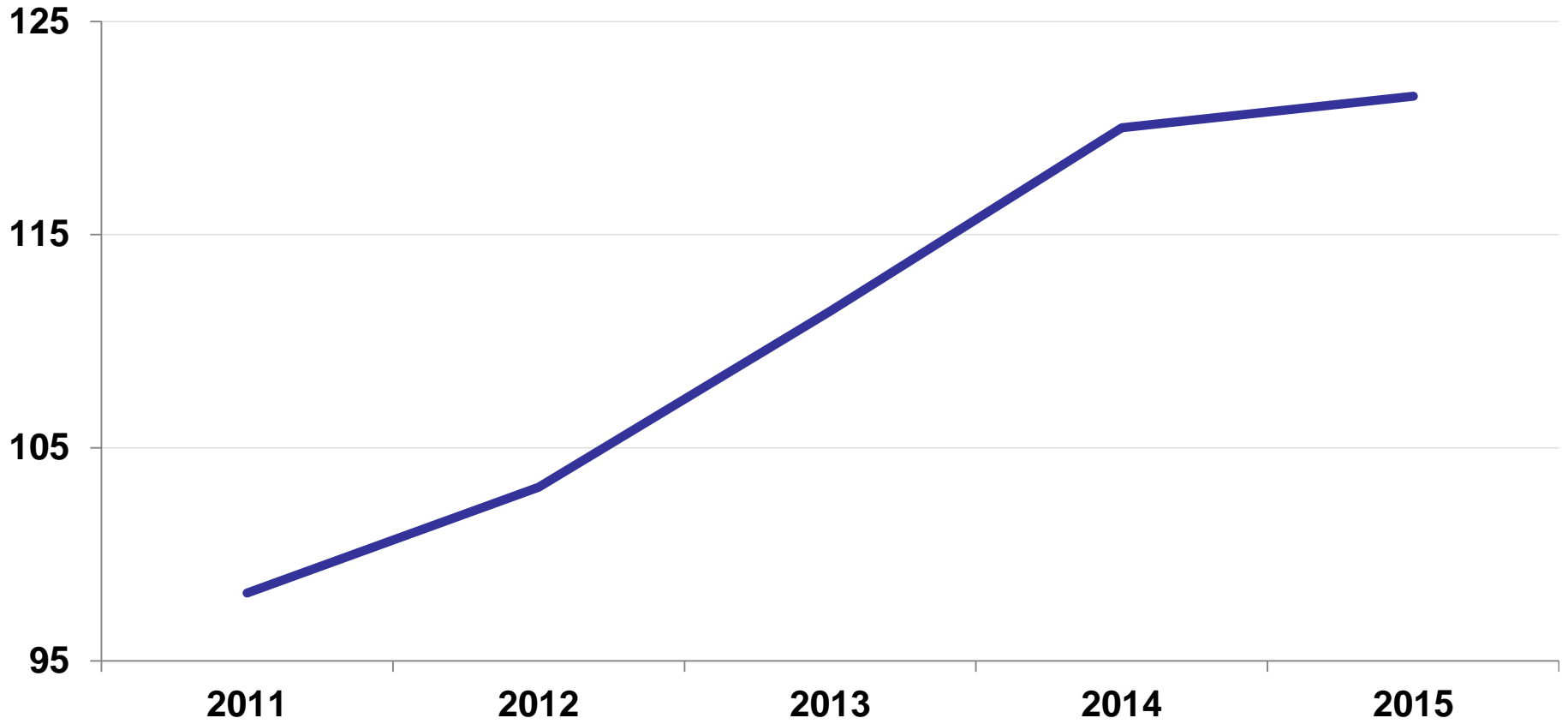
## Deposits / Total Assets (Percent)



Source: BRSA

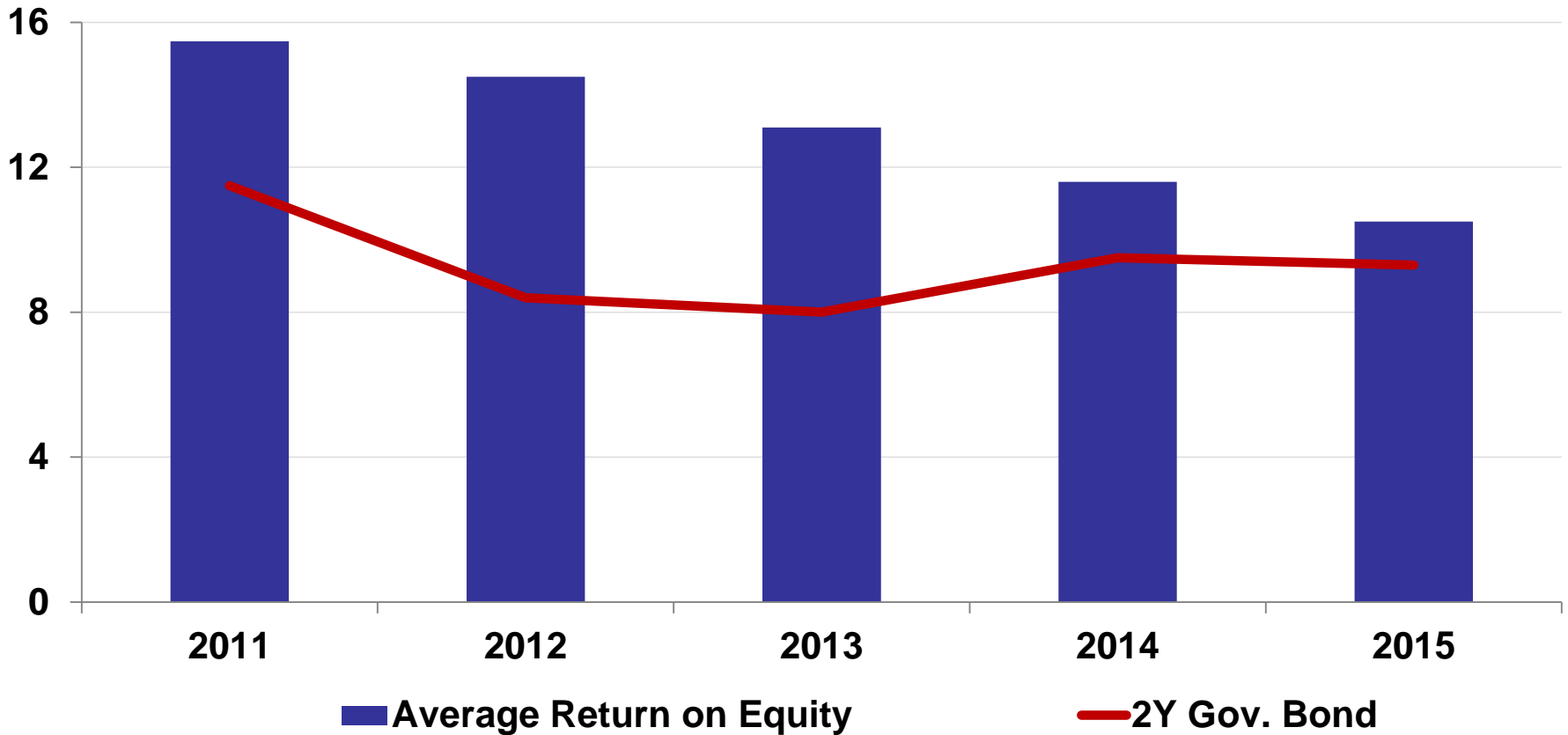


## Loans and Receivables / Deposits (Percent)



Source: BRSA

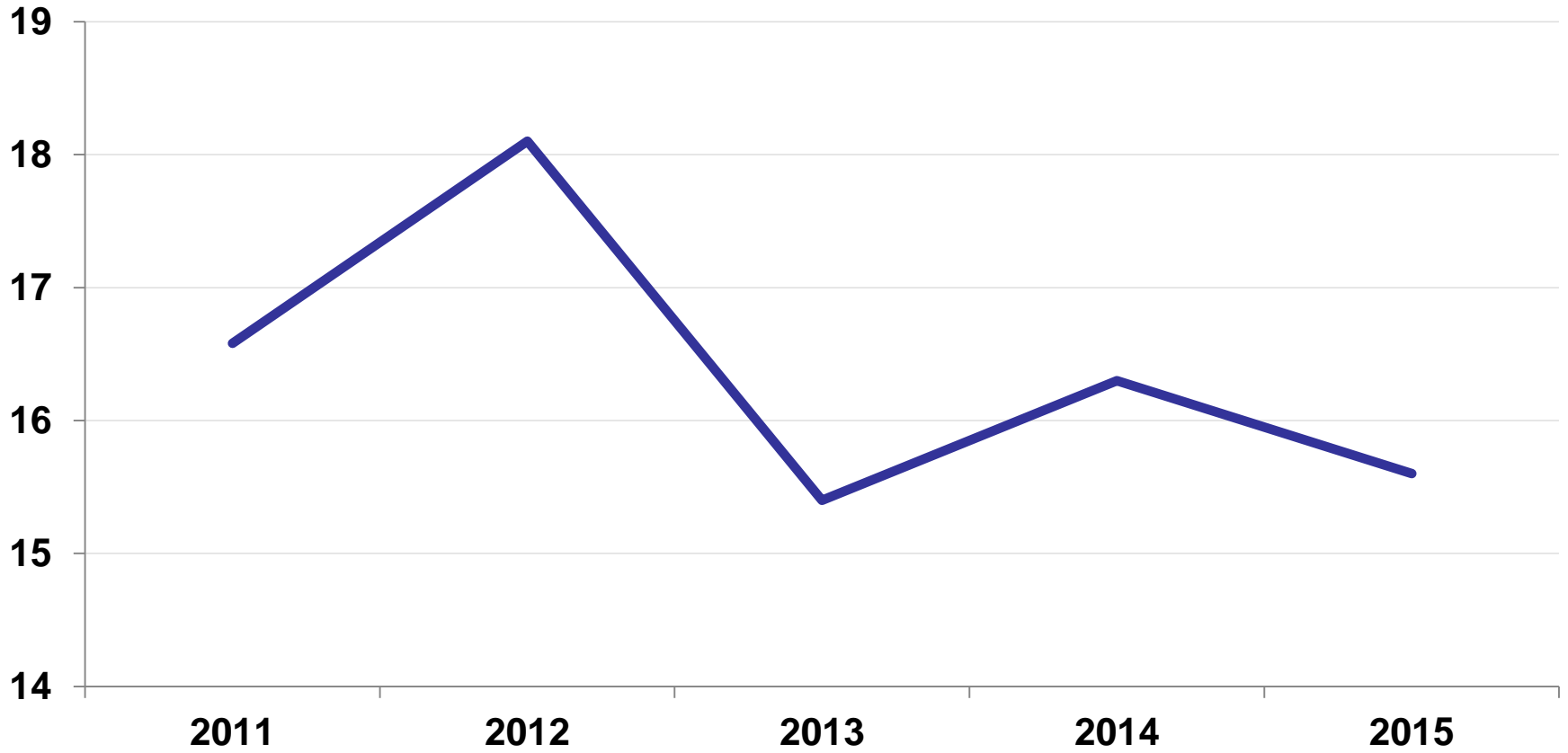
# Average Return on Equity and 2 Year Government Bond Yield (Percent)



Source: BRSA, TurkStat, BAT



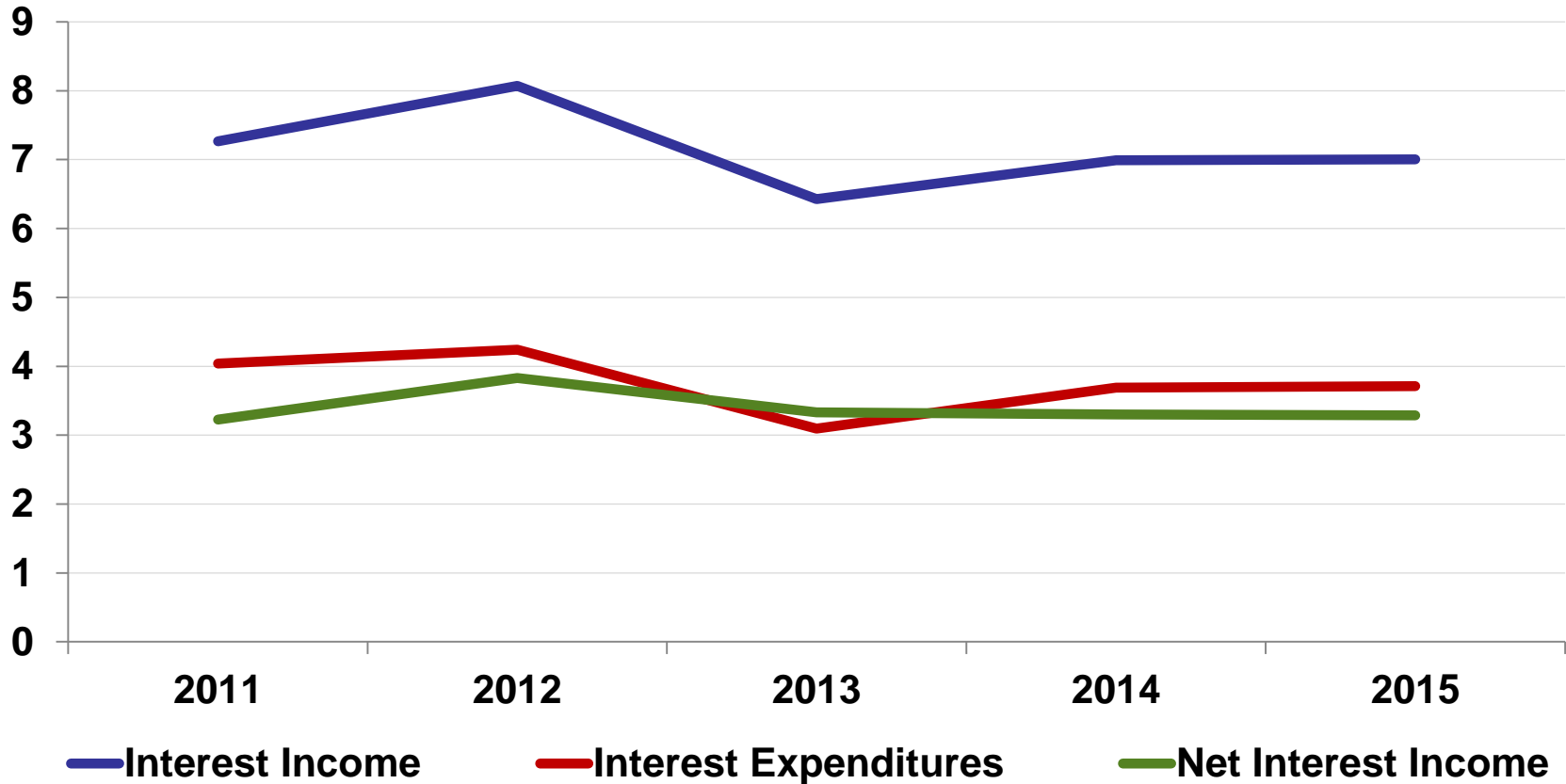
## Capital Adequacy Ratio (Percent)



Source: BRSA

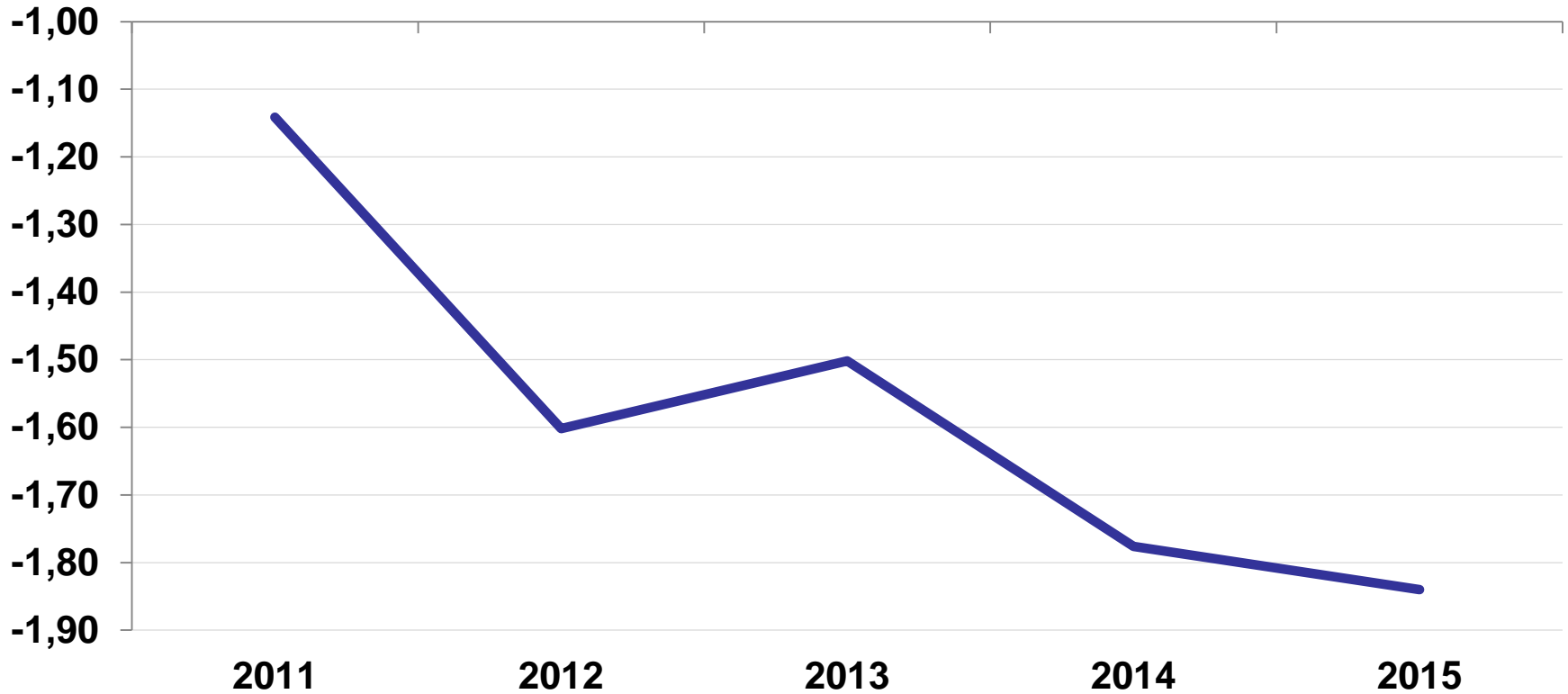
# Income / Expenditure Indicators

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



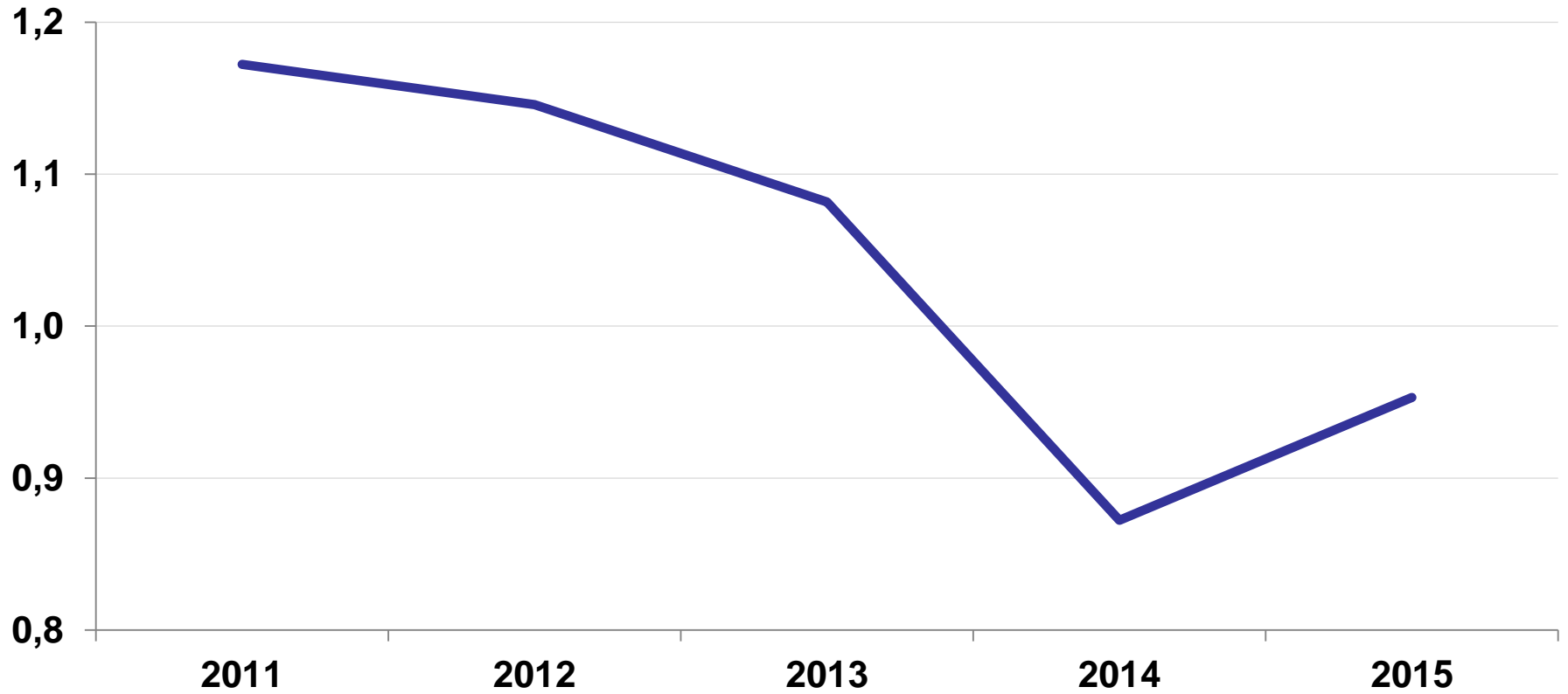
Source: BRSA

## Net Non Interest Income / Total Assets (Percent)



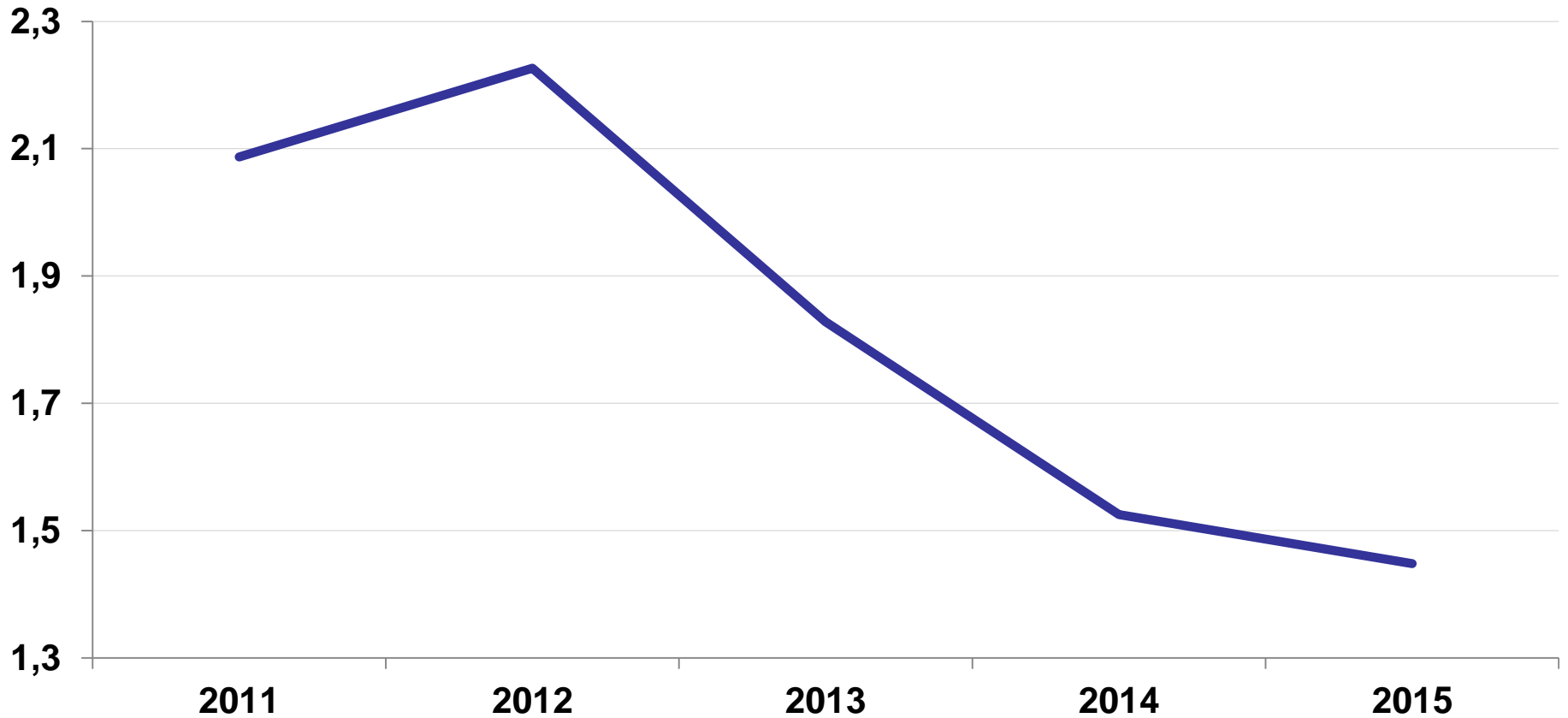
Source: BRSA

## 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Latest date of the data</u>
<b>USA<sup>1</sup></b>	13,9	14,8	14,7	14,5	14,4	14,4	14,1	March
<b>Germany</b>	14,8	16,1	16,4	17,9	19,2	18,0	18,1	December
<b>Argentina</b>	18,8	17,7	15,6	17,1	13,6	14,7	14,5	June
<b>Australia</b>	12,0	11,6	11,8	12,1	11,8	12,4	13,1	March
<b>UK</b>	14,8	15,9	15,7	17,1	19,6	17,3	...	December
<b>Brazil</b>	18,7	16,9	16,3	16,4	16,1	16,7	16,3	June
<b>China</b>	11,4	12,2	12,7	13,3	12,2	13,2	...	December
<b>Indonesia<sup>1</sup></b>	17,8	16,2	16,1	17,3	19,8	18,7	19,9	March
<b>France</b>	12,4	12,7	12,3	14,5	15,4	16,3	...	December
<b>S.Africa</b>	14,1	14,9	15,1	15,9	15,6	14,8	14,1	April
<b>India<sup>2</sup></b>	14,3	15,2	13,1	13,1	12,3	12,5	12,8	March
<b>Italy</b>	11,7	12,1	12,7	13,4	13,7	15,0	...	June
<b>Japan</b>	11,2	13,3	13,8	14,2	15,2	15,6	13,6	March
<b>Canada</b>	14,7	15,6	15,9	16,2	14,3	14,2	14,1	June
<b>Korea</b>	14,4	14,3	14,0	14,3	14,5	14,2	...	June
<b>Mexico</b>	16,5	16,9	15,7	15,9	15,6	15,5	15,3	May
<b>Russia<sup>1</sup></b>	20,9	18,1	14,7	13,7	13,5	12,5	12,9	December
<b>Suudi Arabia</b>	16,9	17,6	17,6	18,2	17,9	17,9	17,8	June
<b>Turkey<sup>1</sup></b>	20,6	19,0	16,6	17,9	15,3	16,3	15,5	March

1 Basel I

2 Basel I ve Basel II simultaneously applied

Source: IMF, Financial Soundness Indicators,

## Return on Equity of G-20 Countries (Percent)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Latest date of the</u>
<b>USA</b>	1,8	1,8	2,3	2,7	3,3	2,8	3,1	December
<b>Germany</b>	5,0	8,8	13,0	10,8	7,5	7,2	...	December
<b>Argentina</b>	29,5	34,5	36,5	38,8	43,7	48,6	44,7	March
<b>Australia</b>	16,4	17,7	19,7	17,7	20,1	20,7	21,4	December
<b>UK</b>	-0,1	6,9	6,1	3,4	4,2	13,9	...	June
<b>Brazil</b>	15,8	16,7	16,1	13,1	13,1	13,0	14,7	December
<b>China</b>	16,2	19,2	20,4	19,8	19,2	17,6	...	December
<b>Indonesia</b>	26,8	25,9	25,4	25,3	24,5	21,3	19,7	December
<b>France</b>	7,2	12,0	8,3	6,0	8,4	4,4	...	December
<b>S.Africa</b>	18,8	18,6	21,3	20,5	18,6	17,8	20,0	June
<b>India</b>	10,6	10,8	13,4	13,8	10,8	9,6	10,8	December
<b>Italy</b>	4,0	3,7	-13,0	-0,9	-11,5	1,2	...	June
<b>Japan</b>	-5,7	5,5	4,8	5,7	9,1	7,8	6,3	September
<b>Canada</b>	18,2	23,0	23,6	22,7	22,3	22,5	21,5	March
<b>Korea</b>	8,6	9,7	13,2	8,2	4,0	7,2	...	June
<b>Mexico</b>	15,2	16,8	15,5	17,5	19,3	15,9	16,5	May
<b>Russia</b>	4,1	12,5	17,3	17,9	14,0	7,5	...	December
<b>Suudi Arabia</b>	23,0	20,4	19,4	18,7	18,6	18,5	18,2	March
<b>Turkey</b>	26,4	23,9	19,0	19,6	17,4	14,7	14,6	March

Source: IMF, Financial Soundness Indicators

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

	Assets to GDP		Loans to GDP		Deposits to GDP	
	2013	2014	2013	2014	2013	2014
Luxembourg	1.966	1.969	844	792	925	922
Malta	668	664	198	184	261	305
Ireland	567	571	201	172	215	185
Cyprus	498	521	353	372	290	279
Denmark	414	420	251	248	113	118
UK	435	399	211	181	195	170
France	372	383	205	205	185	187
Netherlands	346	370	195	200	160	173
EU	314	311	171	164	161	157
Sweden	279	290	159	162	91	94
Spain	306	286	177	166	198	192
Finland	259	282	130	133	90	91
Belgium	260	275	120	119	157	155
Portugal	303	271	167	150	181	164
Germany	267	268	157	150	159	155
Austria	283	267	171	161	158	153
Italy	252	249	148	149	143	145
Greece	223	222	135	132	146	136
Croatia	133	134	103	101	81	83
Latvia	128	130	90	83	60	59
Czech Republic	122	126	73	74	82	82
Slovenia	129	117	90	77	90	81
Turkey	111	114	67	71	60	60
Bulgaria	113	111	79	73	74	74
Hungary	115	109	65	75	62	61
Estonia	105	107	86	93	70	74
Poland	92	92	63	63	58	59
Slovakia	83	85	56	57	61	62
Lithuania	69	70	54	59	45	50
Romania	63	60	45	41	36	37

Source: ECB

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

	Assets per Capita		Loans per Capita		Deposits per cCapita	
	2013	2014	2013	2014	2013	2014
Luxembourg	1.703	1.752	732	704	802	820
Ireland	222	234	79	71	84	76
Denmark	187	193	113	114	51	54
Netherlands	134	146	75	79	62	68
UK	139	140	68	63	62	59
Sweden	127	129	73	72	41	42
France	120	124	66	66	60	61
Malta	119	124	35	34	47	57
Finland	97	106	49	50	34	34
Cyprus	104	106	74	76	61	57
Austria	108	103	65	62	60	59
Belgium	92	98	42	43	55	55
Germany	93	97	55	54	56	56
Italy	68	66	40	40	39	38
Spain	67	64	39	37	44	43
Portugal	49	45	27	25	29	27
Greece	37	36	22	22	24	22
Slovenia	22	21	16	14	16	15
Czech Republic	18	19	11	11	12	12
Estonia	15	16	12	14	10	11
Latvia	14	15	10	10	7	7
Croatia	14	14	11	10	8	8
Slovakia	11	12	8	8	8	9
Hungary	12	11	7	8	6	6
Poland	9	10	7	7	6	6
Turkey	8	9	5	6	4	5
Lithuania	8	9	6	7	5	6
Bulgaria	7	7	5	4	4	4
Romania	5	5	3	3	3	3

Source: ECB

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

	<u>2002</u>			<u>2008</u>			<u>2011</u>			<u>2012</u>			<u>2013</u>		
	World	EM	TR	World	EM	TR	World	EM	TR	World	EM	TR	World	EM	TR
<b>Banks Assets</b>	264	145	61	160	87	75	158	100	94	162	106	98	160	110	105
<b>Capital Markets</b>	203	59	59	192	79	47	208	74	59	210	82	69	216	78	59
<b>Equities</b>	69	25	16	55	42	19	67	38	29	73	42	40	83	39	32
<b>Bonds and Bills</b>	135	35	43	137	38	28	141	36	30	137	40	30	133	39	27
<b>Total</b>	468	205	120	352	167	121	366	174	153	372	188	167	376	188	164

Source: IMF, Global Financial Stability Report, October 2014

## Comparison with World and Emerging Countries (Percent)

	2001		2002		2011		2012		2013	
	TR/ World	TR/ EM*	TR/ World	TR/ EM	TR/ World	TR/ EM	TR/ World	TR/ EM	TR/ World	TR/ EM
<b>Banks Assets</b>	0.21	1.65	0.17	1.34	0,59	2,54	0,66	2,68	0,64	2,42
<b>Capital Markets</b>	0.27	4.45	0.21	3.18	0,28	2,11	0,36	2,46	0,30	2,15
<b>Equities</b>	0.24	3.49	0.17	2.06	0,42	2,02	0,59	2,78	0,42	2,34
<b>Bonds and Bills</b>	0.29	5.25	0.23	3.98	0,21	2,20	0,23	2,13	0,22	1,97
<b>Total</b>	0.24	2.49	0.19	1.87	0,41	2,35	0,49	2,59	0,34	1,76
<b>Gdp</b>	0.77	3.33	0.72	3.19	1,10	3,03	1,09	2,91	1,10	2,84

Source: IMF, Global Financial Stability Report, October 2014

## 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.