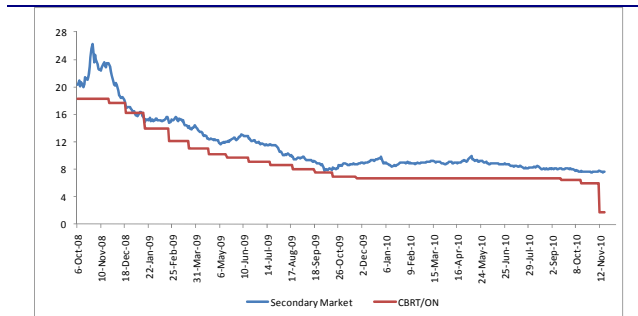


Turkey Weekly Macro Comment

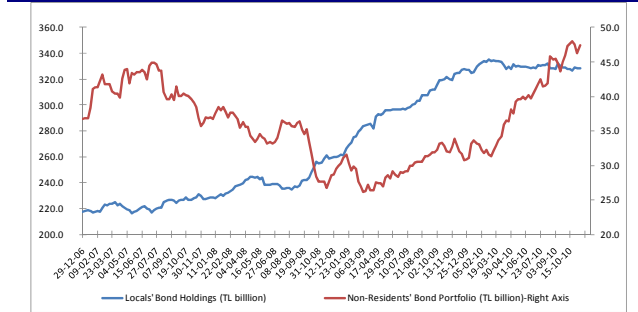
29 November 2010

Bond Rates vs O/N



Source: Central Bank of Turkey, YK Economic Research

Domestic & Foreign Bond Portfolios



Source: Central Bank of Turkey, YK Economic Research

More Transparency Always Appreciated, Regardless of Source, but Symmetry Would Have Been Swell

- Wikileaks has released millions of documentations pertaining to secret (thus candid) communications between US embassies all over the world.
- We choose not to go into the details of the info released about Turkey, Turkish statesmen, etc. for reasons we try to enunciate inside.
- Wikileaks may have taken the front seat with the launch of releases as of last night but domestic political scene experienced some important developments last week which should not be overlooked. Two are particularly striking and are discussed inside.
- Expectations survey by the CBRT continues to relieve the CBRT of any serious headache as 12 and 24-month ahead expectations continue to improve marginally though they discernibly remain above point target levels.
- Capacity utilization for the month of November came at 75.9% on top of the 75.3% in October which was a significant jump from 73.5% in the previous month.

Cevdet Akçay

Chief Economist, Yapi Kredi Bank & Yapi Kredi Yatirim

Tel: +90 212 319 8430 cevdet.akcay@yapikredi.com.tr

1.1 General Outlook

Wikileaks has released millions of documentations pertaining to secret (thus candid) communications between US embassies all over the world. The US Administration launched a diplomatic damage control campaign to mitigate the impact of these releases on their relationship with ally countries and within their own diplomatic circles, but the damage may already have been done. According to the British daily Guardian, The US Embassy in Ankara appeared as the second largest source of information with 7,918 documents, roughly twice the number obtained via the Tel Aviv Embassy. We choose not to go into the details of the info released about Turkey, Turkish statesmen, etc. not only for the reason that the documents are not acknowledged as official and genuine by US authorities (and they probably are as the US authorities would not go into a panic mood to undo the impact of the releases), but also for the reason that the corresponding counterparty material is fully absent. That is, we do get quite a lot of info, most of which happens to be juicy, regarding US authorities' perception of certain policies and policy makers in other countries and in particular for our purposes in Turkey, with no similar info coming from counterparty sources. One would tend to say that this approach of ours is too naïve and carries an aura of ethicalness that is borderline perfunctory. It may look so, and there is no way I could convince third parties to the contrary, but the attitude bears some proximity to a habit I have adopted in daily life for purposes of maintaining dignity as best as I can. Whenever I have a discrepancy with another party be it a person or an institution and someone wants to learn about the nature of the discrepancy, I refrain from releasing the info if I believe that the counterparty's interpretation of the story will not be available to the inquiring party. Simply put, I respect symmetry to the utmost in such instances, particularly if my version of truth when revealed by me would jeopardize the counterparty's respect in the eye of the inquisitor.

It is to some extent naïve, I would agree, but we all invent ways to deal with the complexities of life by means of simple principles and habits we invent and stick to in order to make life easy for ourselves. This does not mean by any means that I will be adamant to the info released and will basically ignore it. Quite to the contrary, I have been able to access the original documents released via Wikileaks and they are needless to say exciting as they are genuine/official communications. I will indulge in them as much as I can, but will not play a game of pick and choose and try to build some kind of argumentation with respect to Turkish policies in general or the perception of those policies by the US authorities through the info "picked and chosen" appropriately. It could be possible to build an exhaustive argumentation with a very thorough examination of the documents with no "pick and choose" involved, but even that would be lacking as it would rely on only one of the sources in question. Dump the label "unethical" maybe for such coverage, but "inadequate" fits perfectly for sure. Besides, such tendencies always carry with it the potential to trumpet moral superiority very easily, and sometimes unintentionally, as one side is clearly exposed while the other is fully undisclosed.

Moreover, some of the communications we have accessed and the assessments they contain looked extremely rational, well balanced, honest, and genuine. We would like to cite three to give the reader a feel of what we mean. The first one pertains to Turkey-Iran rapprochement and has the following executive summary with details to follow in the original text which we leave out:

“¶1. (C) Recent discussions with Turkish and Iranian think-tank, business, and political activist contacts on the issue of Turkey-Iran relations reveal a broad consensus that: (1) Turkey pursues closer relations with Iran out of desires for regional stability and conflict avoidance, recognition of Turkey as an indispensable East-West bridge; strengthening a long-term energy and commercial relationship; and hope that Turkey's approach will moderate Iranian regime behavior. (2) Iran reciprocates because it sees Turkey as a hedge against its diplomatic isolation, a buffer against sanctions, and a safety valve for its population. However, (3) Turkey's influence over Iranian decision-making is limited; Turkey has never persuaded Iran to change course on an issue of strategic concern to the regime. To quote one contact: "Iran knows Turkey is not going to walk away." On the other hand, our contacts also concluded that Iranian decision-making responds at least tactically to multilateral pressure, which argues that Turkey can and should play a key role to play in supporting tougher approaches on Iran at the UNSC and IAEA. End Summary. “

The details to follow include certain judgments as well which is natural but the executive summary looks very much right on target regardless of your political leanings. The second piece we picked is regarding the closure case that the AKP had been subjected to in March 2008. Here is the executive summary and a following paragraph on the indictment in the closure case (highlights are ours):

*¶1. (c) Summary: **The closure case against Turkey's ruling Justice and Development Party (AKP) is a blow to this country's future. It reflects unresolved conflicts about the nature of Turkey, the state, the extent of popular democracy and the role of religion in society. It also results from failed leadership by PM Erdogan over the nine months since his re-election victory last July.** The outcome is uncertain, but the crisis here must be viewed through the peculiar entity that is Turkish democracy -- imperfect, crabbed, but functional in its way. US priorities are sustaining our ability to work with this country on mutual interests and supporting its democratic process in a broad sense, but we should avoid opining on the specifics of Turkish politics. This approach will respect the raucous and historic debate and politicking among Turks taking place now about the future of their country -- a vital process for democracy here to continue to mature. End Summary.*

Implications of the Closure Case

¶2. (c) *Here is one way of looking at the AKP closure case. It is an attempted judicial coup, a Clausewitz-like extension of politics by legal means. The indictment reads like a political tract. It relies on newspaper clippings to justify excluding the party and 70-odd leaders from politics. Among more bizarre bits of proof that the AKP intends to undo secularism are press reports of Secretary Powell praising the country's "moderate Muslim" government and on its support for BMENA. The propriety of banning parties is questionable in any democracy. A ban based on a legally weak indictment of a party which nine months ago received 47 percent of the vote nationally and pluralities in 76 out of Turkey's 85 constituencies looks like a travesty for democratic values and the rule of law.*

Some balancing argumentation is then put forward and the AKP and PM Erdogan are not left off the hook that easily. Yet the tone is neither pejorative nor blaming and merely reflects the feeling that some mismanagement on the part of the AKP had taken place which consequently led to fears of secularist wings not being washed away. Here are those paragraphs that elucidate the argument:

¶3. (c) *Another way of looking at the case focuses on its consistency with democracy Turkish style. The constitution and laws have long provided for banning politicians and dissolving parties, 26 of which have fallen victim. The AKP had many years in office to change this and other questionable policies (like Article 301 on insulting Turkishness), but did not. What looks to Western democracies like an unusual power in the judiciary to compromise the results of last July's election is one of Turkey's check and balancing mechanisms to protect the rights of the minority in this case secularists who feel threatened by the AKP.*

¶4. (c) *Some truth exists in both of these points of view. One clear thing is that PM Erdogan has stumbled badly. One blunder was failing to make political bans more difficult when relevant legislation was amended several years ago. As if dizzy with his own success, Erdogan failed to reassure the 53 percent who voted against his government last July that it would respect their interests too. He failed to use his re-election mandate to continue EU-related reforms that were the most formidable tools for calming fears of Islamization and untrammelled majority rule. He allowed himself to be goaded by the National Action Party (MHP) into putting the headscarf ban at the head of the reform queue. For this short-term populist win, he sacrificed a larger constitutional reform package that would have significantly strengthened Turkey's democracy. Effective, progressive governance that was the hallmark of early AKP years in office dried up in the 2007 election year, and no momentum returned after that. These and other missteps exacerbated fears among many that Erdogan was going too far, too fast; that there were no effective constraints on the AKP (especially after the military's botched intervention last spring); and that fundamentalists might soon dominate the bureaucracy, judiciary, universities, etc., to change Turkey in dangerous and permanent ways.*

¶5. (c) *The closure case on its face is a set-back for democracy and stability in Turkey. For many, especially the large swath of previously neglected voters who make up Turkey's emerging middle class and whom Erdogan's populism galvanized, the message is that Turkish democracy is too poorly developed to protect their interests against the traditional elite. This message is even more threatening to (ANKARA 00000691 002 OF 003) those here who are still marginalized, especially Kurds.*

More broadly, the case looks like, and to some extent is, the revenge of an unelected and unaccountable bureaucracy against Erdogan and popular democracy. Turks fear the Deep State and many, including strong critics of the AKP, are deeply uncomfortable with the judiciary's attempt to manipulate the power balance. Associated turmoil also renders Turkey's vulnerable economy more uncertain at a time when global trends are already very negative; a big downturn would reinforce the sense of crisis here.

One may or may not agree with the points made in these paragraphs, and the anti-AKP opposition will find much more to disagree with than would the AKP leadership and the AKP rank and file. Those interested will undoubtedly be deeply attracted by the almost erotic nature of these communications as they are at the moment the most exciting piece of written/visual/audio material available on the cyber space.

We choose not to dive into other pieces of pseudo-eroticism if only for the purpose of sticking to our principle/habit of respect for symmetry with respect to source of information. We also realize that we mortals are prone to “attribution error” as much as we may avoid to and that even our examples above could be indicative of our subconscious at work.

Wikileaks may have taken the front seat with the launch of releases as of last night but domestic political scene experienced some important developments last week which should not be overlooked. Three high level generals, who were allegedly involved in coup attempts against the government and whose promotions thus were prevented in the High Military Tribunal last August, were removed from active duty last week by the Minister of Internal Affairs and by the Minister of Defense. They had not lost their posts but were merely not promoted. They had petitioned to the High Military Administrative Court for reversal of the Tribunal decision (jointly made by civilian and military authorities but unusually forced by the civilian this time around on the military one) and were able to get a verdict in their favor. The Government defied the Military Court in a sense and used its legitimate right to remove these soldiers who ultimately are public sector employees under the command of the PM. All hell would have broken loose as recently as two years ago, and there were some signs that some indeed would have loved to see that taking place. The leadership in the main opposition party CHP displayed a knee jerk reaction and labeled the Government's move as a “civilian coup d'état”, unintentionally contributing to the political theory literature with an oxymoron. Yet all hell did not break loose and even the CHP leadership came to its senses a few days

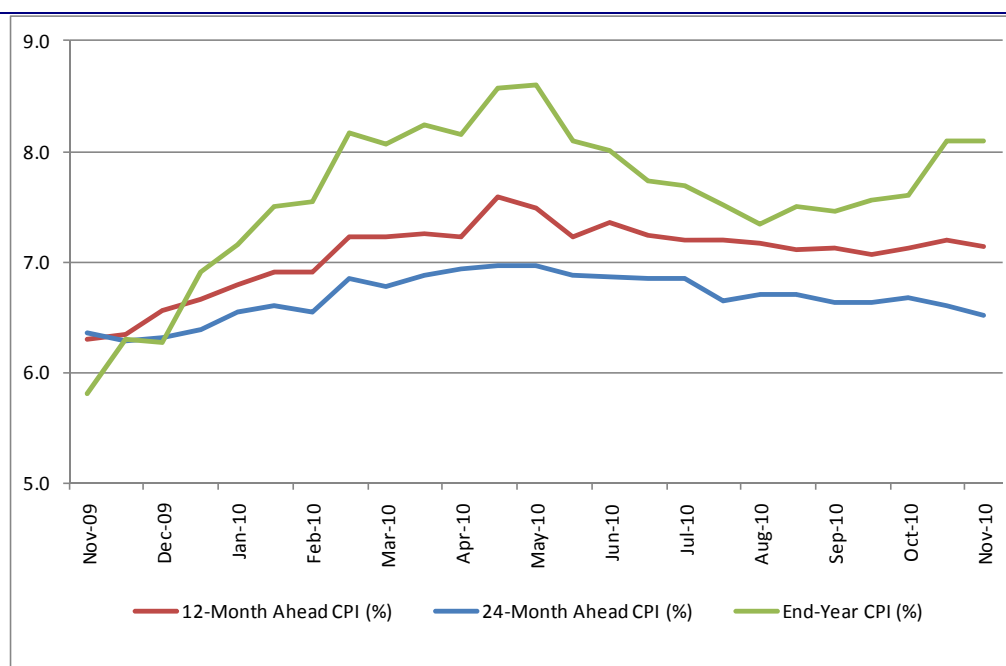
later when Kilicdaroglu proclaimed that the Government had acted on a mandate it has by law and that there was no question of legitimacy regarding the act. He went on to add that the due legal process would have to be respected by all parties involved to which one can only respond with “amen”. Even this should provide further hint as to what we intend to mean when we claim that the country has been normalizing on a daily basis for quite some time.

Further proof of that normalization came when jailed Kurdish insurgence leader Ocalan openly threatened the mayor of predominantly Kurdish ethnicity province of Diyarbakir who had gaffed (from Ocalan’s and PKK’s point of view) in claiming that the “era of armed insurgence” had come to an end. Ocalan warned Mayor Baydemir boldly and recommended him to stick to his own business, to leave armed insurgence to the capable, and to come up with an immediate auto-critique. Mayor Baydemir did take a few steps back, but not fully. Kurdish constituency is arguably severely divided on the issue with supporters on both sides of the dispute. The mere presence of the dispute though is testimony to the blossoming vocal opposition within the Kurdish constituency. Yet taking this observation beyond its context would be very misleading as well; the two sides may be differing on methodology which is admittedly no small thing but ultimate intentions are undoubtedly almost identical. It is thus not surprising at all to see Ocalan boldly attacking the AKP in his communiqués, calling them the agents of “green gladio” and asserting that every vote that the AKP gets is a vote in favor of war and not of peace. He suggests that city councils should be formed in the region with people from all wings of the political spectrum, including genuinely religious people who are different from the AKP rank and file according to Ocalan, and even MHP supporters if they happen to favor peace in the region. Anyone, even the jingoistic MHP, *but* the AKP who happens to be the biggest party in the region!! These ideas presumably stand as being far from convincing to a significant number of Kurds in and outside the region who very recently were about to rejoice the return of PKK militia from the Habur border as a result of the AKP’s “Kurdish Initiative” (yes, that was exactly what it was called in its very initial phase) which was ruthlessly sabotaged by the opposition parties that treated the whole idea as treachery and treason on the part of the AKP. Short of story is the following: as the country normalizes on a daily basis, which is our contention, Ocalan’s rhetoric will continue to fall short of sounding convincing to a larger and larger portion of the Kurdish constituency as he is putting party rhetoric and AKP rivalry in front of practical considerations that would serve the cause of the Kurdish constituency far better, and probably not in the short run only.

1.2 Macro Data

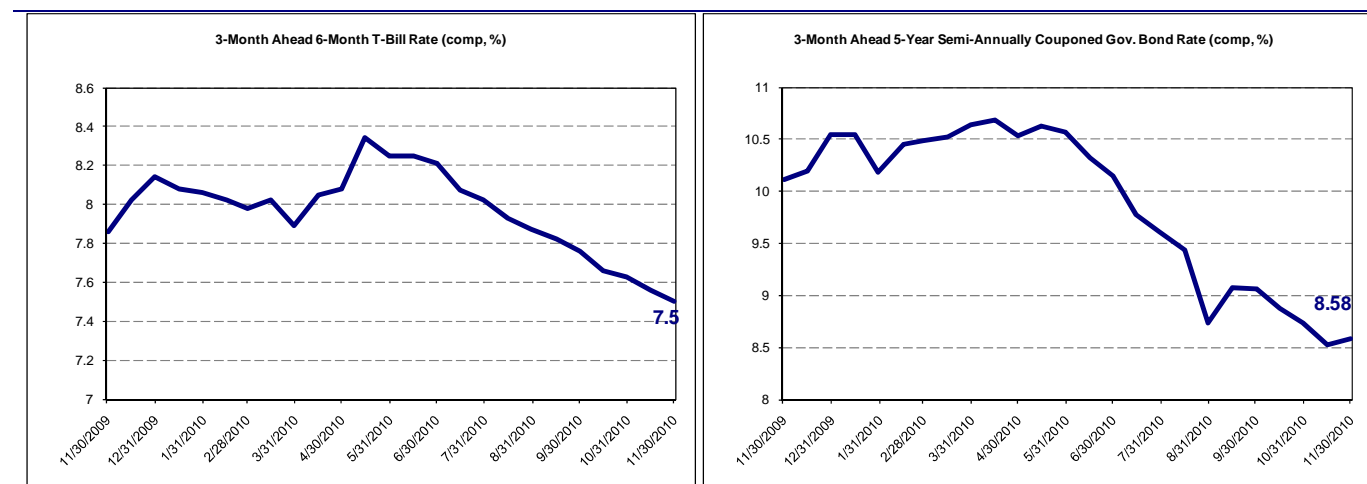
Expectations survey by the CBRT continues to relieve the CBRT of any serious headache as 12 and 24-month ahead expectations continue to improve marginally though they discernibly remain above point target levels. Interest rate expectations are also extremely well-behaved and are testimony to our belief that the real interest paradigm in Turkey has been structurally altered in favor of significantly lower rates (1 to 3 percent interval for the foreseeable future on a sustainable basis).

Inflation Expectations



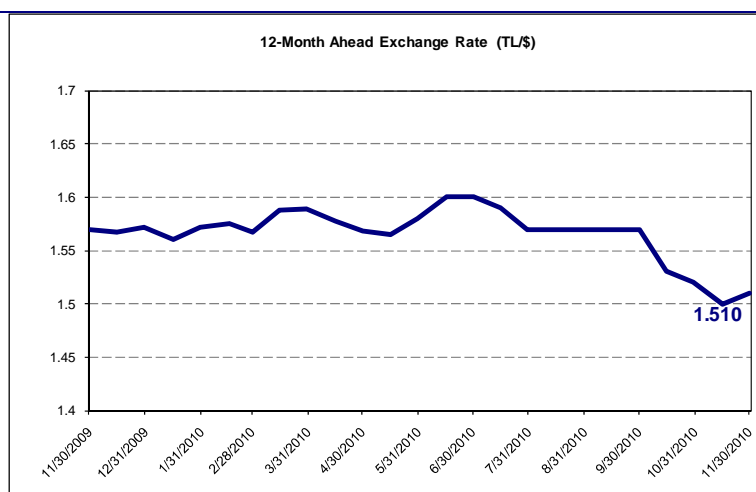
Source: Expectations Survey, Central Bank of Turkey

Interest Rate Expectations



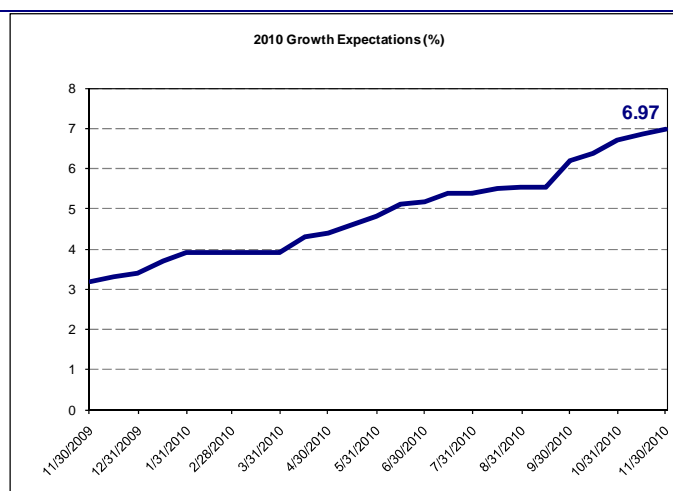
Source: Expectations Survey, Central Bank of Turkey

Exchange Rate Expectations



Source: Expectations Survey, Central Bank of Turkey

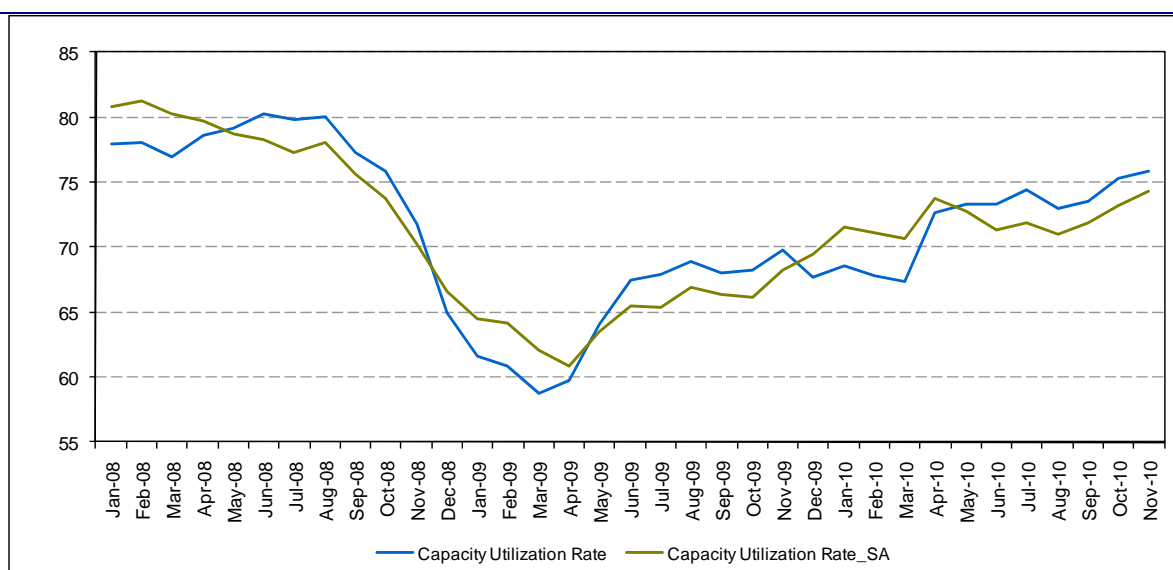
Growth Expectations



Source: Expectations Survey, Central Bank of Turkey

Capacity utilization for the month of November came at 75.9% on top of the 75.3% in October which was a significant jump from 73.5% in the previous month. In seasonally adjusted terms, the increase is equally visible from 71.9% in September to 73.2% in October and to 74.3% in November. This could be suggestive of a better than expected 4Q growth coming but it is still too early to bet on that with insufficient data having piled up so far.

Capacity Utilization



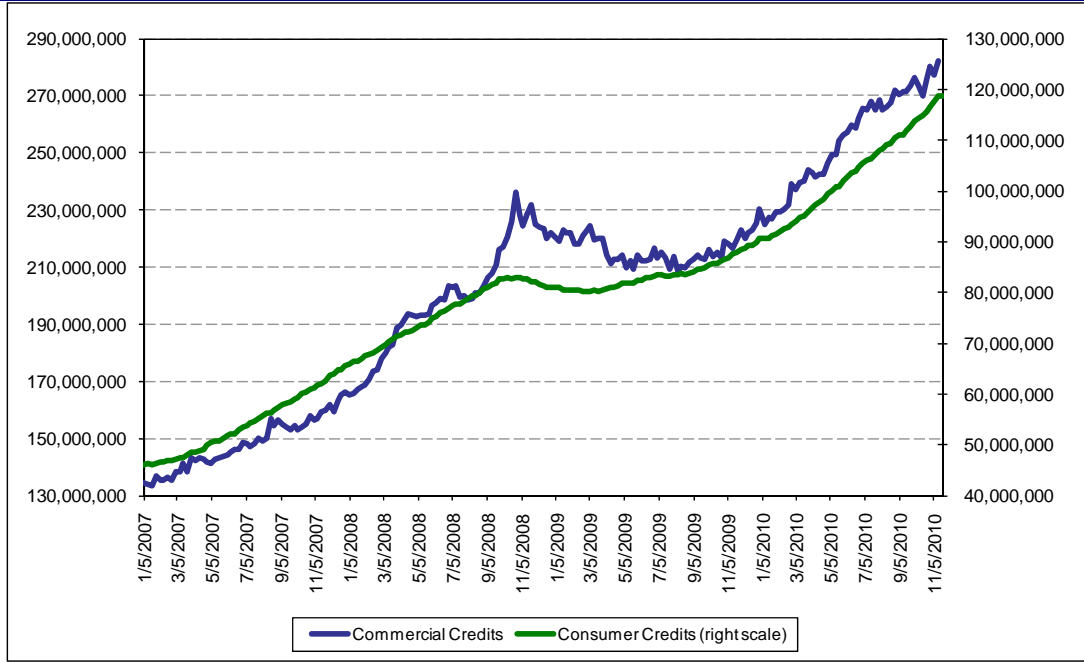
Source: Turkstat, YK Economic Research

1.3 Weekly Data (all weekly data terminate on November 12, 2010 while consumer credits are one extra week updated)

Consumer credits declined in all categories in the week right before the Bayram holiday but that is most probably the reluctance of customers to engage in borrowing endeavors right before a long holiday and nothing else. Credit card loans surged in the meantime which is supportive of our argumentation that this is no case of cool down being endogenously initiated with no exogenous triggers. It is very likely to be followed by substantial weekly increase numbers in the next data set. Commercial credits were up discernibly, TL denominated ones by TL 2.0 billion, loan/deposit ratio was up, and NPL ratios on consumer loans and credit cards both continued to decline. Credit expansion in 2010 has been

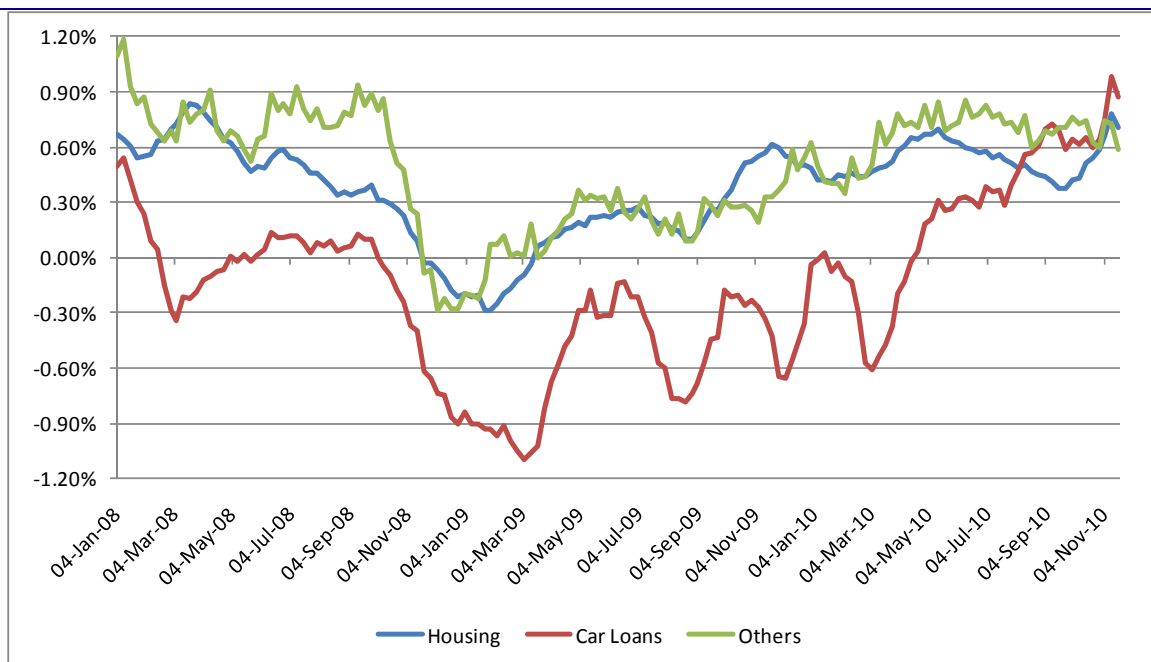
significantly above banks' anticipation in the beginning of the year and the extent of next year's expansion plus the CBRT reaction to it is the main curiosity item in the sector's agenda. We had commented on possible CBRT reactions in our earlier weekly publication and will touch on them again sporadically when needed.

Consumer/Commercial Credits - Levels



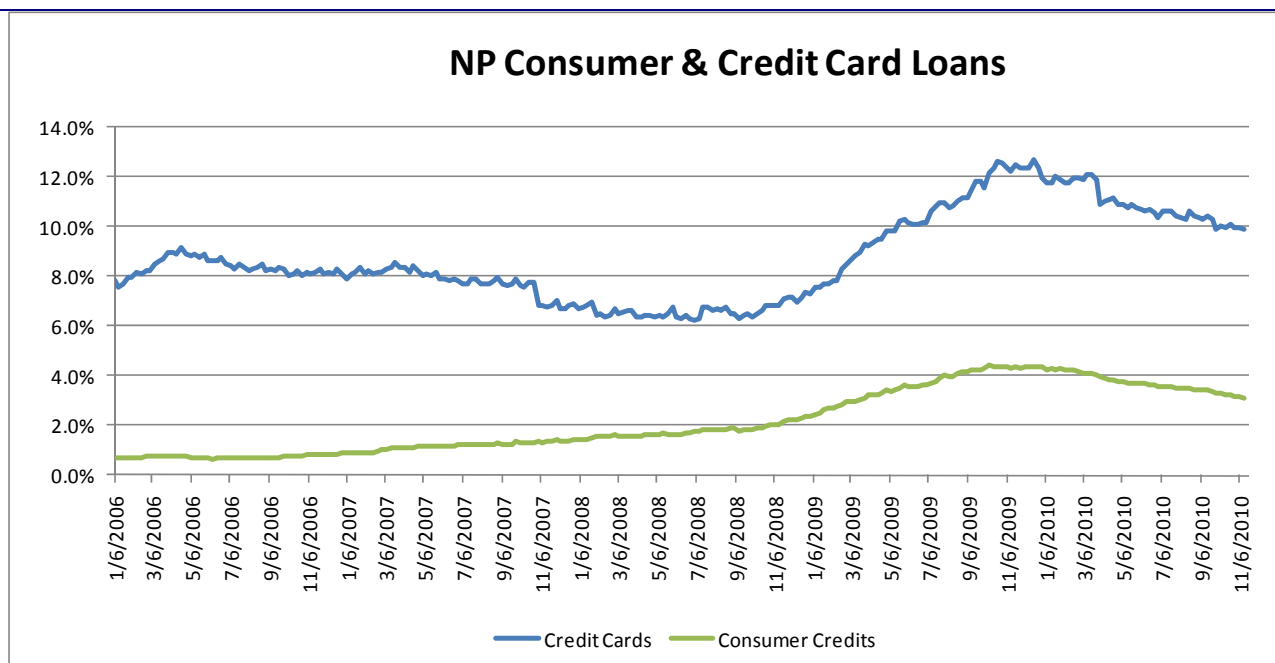
Source: Central Bank of Turkey, Yapı Kredi Economic Research

Consumer Credit Volume (*)



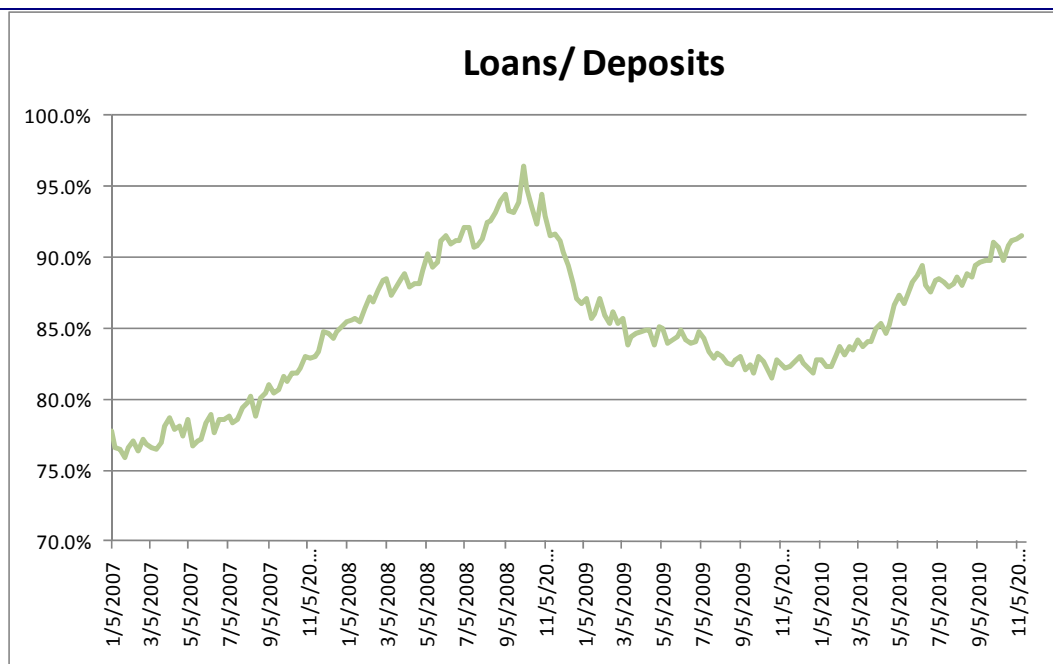
Source: Central Bank of Turkey, Yapı Kredi Economic Research
(*)Weekly % change of 8W average

NPL



Source: Central Bank of Turkey, Yapı Kredi Economic Research

Credit/Deposits Ratio



Source: Central Bank of Turkey, Yapı Kredi Economic Research

Markets

by Murat Berk / Economist and Investment Strategist

Year-end Rally?

In line with our expectations, risk assets have seen a decent sell-off while the USD is strengthening. It has been one of those periods of non-discriminate selling of risk assets. And as said before, it is not surprising to see more pressure in stronger performing markets such as Turkey in the short-term.



Given my view that further corrective action would be limited and followed by a year-end rally (i.e. S&P 500 to reach around 1220-1250 remains my best guess for risk assets), my personal view is taking that profits on USD longs and EM equity and commodity shorts makes sense here.



However, the medium-term outlook is getting worse, in my personal view and the potential of a broader position unwinding could provide anti risk trades (i.e. long USD) with significant support. It seems like the

Eurozone sovereign debt “issues” are going to get a lot tougher as markets set their sights on Portugal and more importantly Spain and the interconnected nature of global finance will not be helpful. Also, funding stresses seem to be increasing. But if the ECB delays exit of the stimulus measures when they meet this week, risk appetite will be supported, at least for a while, in my view. (One indicator to monitor here would be the EURCHF, which fell below 1.32)



However, this anticipated relief rally may prove to be temporary. The stagflationary pressures remain and European “issues” don’t seem to be getting much better. Some BIS publications and data points to a potentially significant USD shortage. If funding stresses begin to spike again across the board, we are likely to have bigger issues. Unless we see an improvement on the funding side, USD sell offs and risk asset rallies may become an opportunity to establish medium-term bearish positions in some risk assets, in my personal view. As an aside and as discussed in detail, we remain bullish on Turkey on a relative basis. Although we believe that countries such as Turkey will be more insulated and resilient than others, no one is immune. As a tangent, we note that TRY has managed to hold well against the EUR in the current sell-off.

The more important and usually neglected part (which is not captured by debt sustainability models etc) has to do with the political background. Thus, although Ireland will be getting help from the EU and IMF, the political situation in Ireland, Germany and other countries has complicated the issue even before the details can be worked out. Also, today’s China will not act like the Japan of the 1980s.



Unfortunately, economic hardship bring political frictions. As in the 1920s-1930s and then again in the 1970-1980s, the rise of new populist forces in the U.S. and Europe may be just a taste of what is to come.



Thus, as the world is dealing over global imbalances, divergent economic trends and more populist political movements, we observe the re-emergence of protectionist tendencies and capital controls around the world. As said before, in this new environment, one of the differentiation factors for countries will be their tolerance towards capital inflows. Turkey is likely to be on top of the list of foreign investor friendly countries.



In the greater scheme of things, the European crisis will have important medium-term implications for economies and markets. From now, all developed market government debt markets will be judged more closely on its own credit risk and the dividing lines between developed and emerging will be further blurred. Thus, there is the probability (not certainty) that we could see safe-haven-like move into EM assets (especially sovereign debt) with its lower debt load and higher growth potential. This could lead eventually to bigger risks of a bubble down the road.

The most interesting aspect, which may offer the potential for big moves, is that these are self-reinforcing feedback loops at play here. With wider spreads worsening the fundamentals and vice versa.

It sounded ridiculous to suggest that some EMs would borrow more cheaply than developed countries. But this is not the case anymore when the dividing lines are becoming blurred.

Thus and as said before "Most may believe that Turkey becoming the New Safe Haven is just a fantasy or wishful thinking, however Turkey and world have changed enough to make it happen. "

Banking Sector - Highlights of the BRSA's Weekly Data

						Change (%)			
Funding - TRY mn						Chg.WoW	Chg.MoM	Chg.QoQ	Chg.YtD
						15-Nov / 5-Nov	Oct-10 / Sep-10	3Q10 / 2Q10	15-Nov-10 / Dec-09
1) Deposits	504,776	565,106	572,795	568,188	578,839	1.9%	1.4%	3.3%	14.7%
- Deposit Breakdown									
i) TL Deposits	331,345	384,626	388,632	386,640	395,395	2.3%	1.0%	2.8%	19.3%
- TL Demand Deposits	47,871	51,745	57,573	51,336	57,980	12.9%	11.3%	4.6%	21.1%
- TL Time Deposits	283,474	332,881	331,059	335,304	337,415	0.6%	-0.5%	2.5%	19.0%
ii) FX Deposits (US\$ mn)	116,608	122,061	128,776	130,422	128,462	-1.5%	5.5%	11.0%	10.2%
- FX Demand Deposits (US\$ mn)	20,387	22,690	22,401	23,102	21,834	-5.5%	-1.3%	19.4%	7.1%
- FX Time Deposits (US\$ mn)	96,221	99,371	106,376	107,320	106,628	-0.6%	7.0%	9.3%	10.8%
2) Funds from Domestic Banks	4,005	3,778	4,016	3,740	3,886	3.9%	6.3%	-10.6%	-3.0%
3) Funds from Foreign Banks	71,137	78,259	82,012	81,374	83,345	2.4%	4.8%	0.5%	17.2%
4) Shareholders Equity	110,350	120,881	124,466	124,553	124,813	0.2%	3.0%	3.4%	13.1%
Total Liab. and Shrs. Equity*	800,386	887,841	900,782	894,533	909,515	1.7%	1.5%	1.9%	13.6%
*Weekly "Total Liab. and Shrs. Equity" figures are Strategic Planning and Research estimates									
Placements - TRY mn						Change (%)			
						Chg.WoW	Chg.MoM	Chg.QoQ	Chg.YtD
						15-Nov / 5-Nov	Oct-10 / Sep-10	3Q10 / 2Q10	15-Nov-10 / Dec-09
1) Liquid Assets	50,543	35,557	37,520	42,496	41,319	-2.8%	5.5%	-20.9%	-18.2%
2) Due from Banks	33,093	29,163	27,048	25,251	23,302	-7.7%	-7.3%	-0.3%	-29.6%
3) Loans	373,295	446,249	458,986	457,135	466,151	2.0%	2.9%	5.2%	24.9%
- Loan Breakdown									
TL Loans	268,321	322,763	333,148	334,027	339,899	1.8%	3.2%	6.6%	26.7%
FX Loans (US\$ mn)	70,580	83,515	87,992	88,440	88,412	0.0%	5.4%	8.4%	25.3%
4) Non-Performing Loans (Net)	3,160	2,798	2,867	2,832	2,720	-4.0%	2.5%	-3.6%	-13.9%
5) Securitized Portfolio	261,824	269,886	271,810	274,028	275,217	0.4%	0.7%	-1.7%	5.1%
- TL Securitized	212,266	226,806	231,357	234,801	234,253	-0.2%	2.0%	0.9%	10.4%
- FX Securitized (US\$ mn)	33,321	29,136	28,287	28,180	28,686	1.8%	-2.9%	-7.9%	-13.9%
6) Other Assets	78,471	104,188	102,551	92,791	100,806	8.6%	-1.6%	8.8%	28.5%
Total Assets*	800,386	887,841	900,782	894,533	909,515	1.7%	1.5%	1.9%	13.6%
*Weekly "Total Assets" figures are Strategic Planning and Research estimates									
Other Indicators - TRY mn						Change (%)			
						Chg.WoW	Chg.MoM	Chg.QoQ	Chg.YtD
						15-Nov / 5-Nov	Oct-10 / Sep-10	3Q10 / 2Q10	15-Nov-10 / Dec-09
FX Pos. - Balance Sht.-(US\$ mn)	-12,788	-15,120	-20,796	-22,930	-21,667	-5.5%	37.5%	37.8%	69.4%
Foreign Exchange Net General Position (US\$ mn)	374	1,546	1,931	1,858	1,711	-7.9%	24.9%	151.6%	357.6%
Securitized Held Under Custody (Nominal)	95,660	101,940	102,735	99,878	101,191	1.3%	0.8%	4.7%	5.8%
- Residents (Nominal)	70,566	65,678	66,264	64,810	65,533	1.1%	0.9%	-0.6%	-7.1%
- Non-Residents (Nominal)	25,094	36,262	36,470	35,063	35,658	1.7%	0.6%	16.0%	42.1%
TRY/US\$ rate - (period-end)	1.4873	1.4786	1.4301	1.3920	1.4280	2.6%	-3.3%	-6.1%	-4.0%
Ratios						Change			
						Chg.WoW	Chg.MoM	Chg.QoQ	Chg.YtD
						15-Nov / 5-Nov	Oct-10 / Sep-10	3Q10 / 2Q10	15-Nov-10 / Dec-09
Loan Structure									
TL Loans/Total Loans	71.9%	72.3%	72.6%	73.1%	72.9%	-0.2	0.3	0.9	1.0
Consumer Loans/Total Loans	24.3%	25.3%	25.5%	25.8%	25.5%	-0.3	0.1	0.5	1.2
Home Loans/Consumer Loans	47.0%	45.8%	46.0%	45.9%	46.0%	0.0	0.2	-0.8	-1.0
Auto Loans/Consumer Loans	4.6%	3.9%	4.0%	4.0%	4.0%	0.0	0.0	0.0	-0.6
Personal Need Loans/Consumer Loans	48.4%	50.3%	50.0%	50.1%	50.0%	-0.1	-0.2	0.8	1.6
Credit Card Loans/Total Loans	9.8%	9.2%	9.2%	9.3%	9.3%	0.0	0.0	0.0	-0.5
Commercial Installment Loans/Total Loans	9.8%	9.9%	10.0%	10.2%	10.0%	-0.2	0.1	0.1	0.2
Corporate & Commercial Loans/Total Loans	56.0%	55.5%	55.3%	54.7%	55.1%	0.4	-0.2	-0.6	-0.9
Asset Quality									
NPL Ratio	5.2%	4.2%	4.1%	4.1%	4.0%	-0.1	-0.1	-0.2	-1.1
NPL Provision Rate	84.5%	85.9%	85.4%	85.6%	86.1%	0.5	-0.4	0.4	1.6
Consumer Loan NPL Rate	4.2%	3.2%	3.0%	3.0%	3.0%	0.0	-0.2	-0.2	-1.2
Credit Card NPL Rate	10.3%	9.0%	8.7%	8.7%	8.5%	-0.2	-0.3	-0.2	-1.8
Commercial Installment Loans NPL Rate	8.6%	6.6%	6.3%	6.3%	6.2%	0.0	-0.3	-0.6	-2.4
Corporate / Commercial Loans NPL Rate	4.0%	3.4%	3.4%	3.4%	3.3%	-0.1	-0.1	-0.2	-0.7
Other Key Ratios									
Off-balance Sheet Liab./Total Assets	67.5%	93.8%	92.8%	93.9%	91.1%	-2.8	-1.0	9.0	23.6
FX Balan. Sheet Pos./Shrs. Equity	-17.2%	-18.5%	-23.9%	-25.6%	-24.8%	0.8	-5.4	-3.7	-7.6
Sec. Under Custody (Residents)/Sec. Under Custody (Total)	73.8%	64.4%	64.5%	64.9%	64.8%	-0.1	0.1	-3.4	-9.0

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