

Banking and Capital Markets

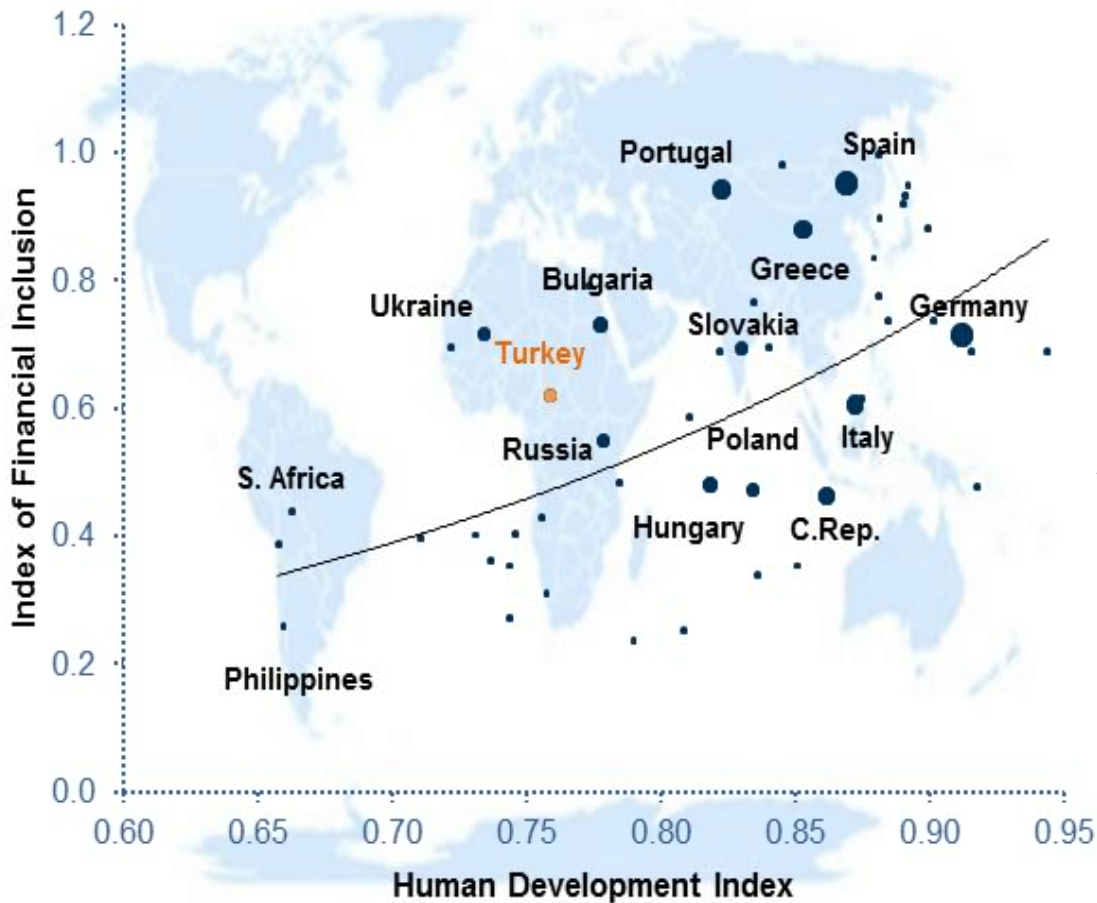
Turkey and Central & Eastern Europe

ISBANK

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Financial sector has been the principal agent of growth

Human Development Index vs. Index of Financial Inclusion



HDI serves as a frame of reference for both social and economic development.

IFI is an attempt to meaningfully combine various banking sector indicators so that the index incorporates information on various dimensions of an inclusive financial system such as accessibility, availability and usage of banking services.

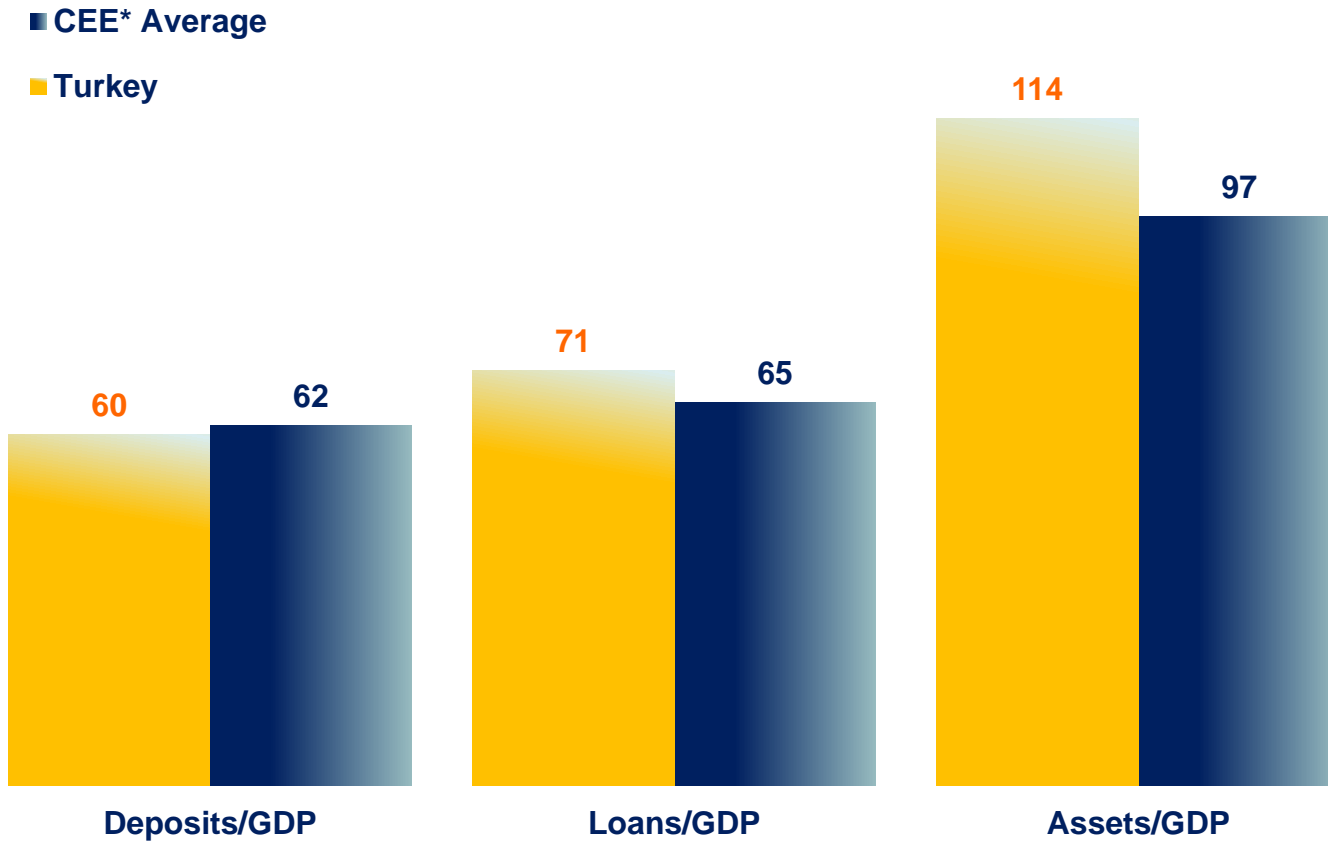
Source: UNDP, bubble size denotes share in global banking assets

Sources: World Bank, Bloomberg

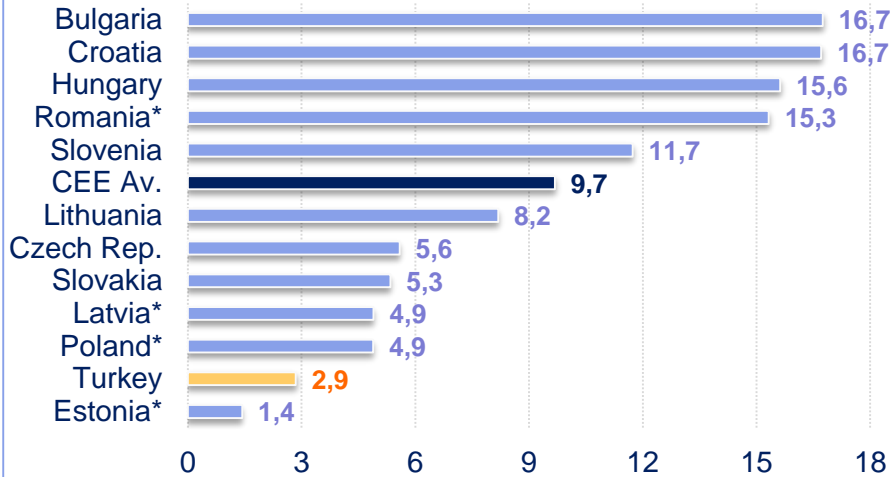
2014	GDP (billion USD)	Number of Banks	Number of Branches	Number of Staff	Number of Branches per 100,000 Persons	Total Assets/ GDP (%)	Loans/ GDP (%)	Deposits/ GDP (%)	Loans/ Assets (%)	Deposits/ Liabilities (%)	Loans/ Deposits (%)
Croatia	57.1	54	1,194	21,190	28	134	100	83	75	62	121
Latvia	32.0	62	319	9,374	16	131	83	59	63	45	141
Czech Rep.	205.3	59	2,124	40,334	20	126	74	81	59	65	91
Slovenia	49.6	30	592	10,682	29	117	77	81	66	69	96
Turkey	799.0	51	12,125	216,063	16	114	71	60	62	53	118
Bulgaria	55.8	35	3,728	31,715	51	111	73	74	66	67	99
Hungary	137.0	247	3,112	39,456	32	109	75	61	69	56	122
Estonia	26.5	38	122	4,860	9	108	93	74	87	69	126
Poland	547.9	680	14,117	175,972	37	92	63	59	68	64	107
Slovakia	99.9	30	1,277	18,656	24	85	57	62	67	72	93
Lithuania	48.3	90	610	8,952	21	70	58	50	84	72	116
Romania	199.1	43	5,304	57,732	27	60	41	37	68	61	112

Source: BRSA, Turkstat, European Banking Federation, ECB, Eurostat

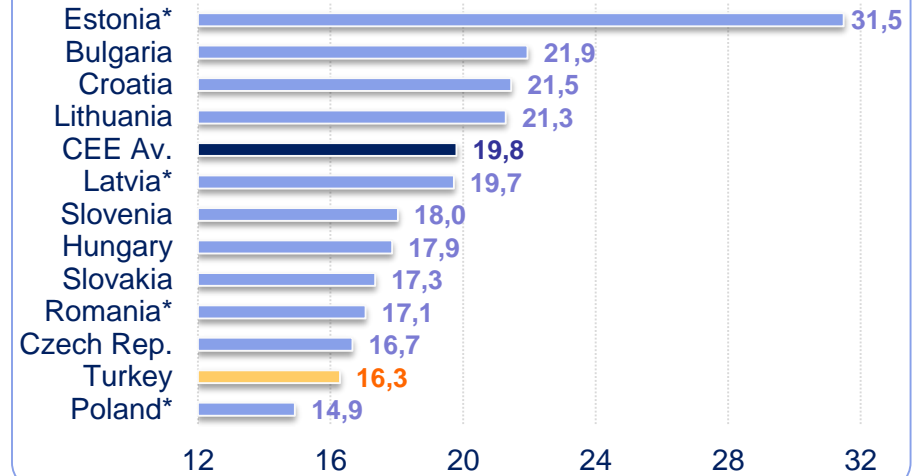
Banking Sector Comparison (%, 2014)



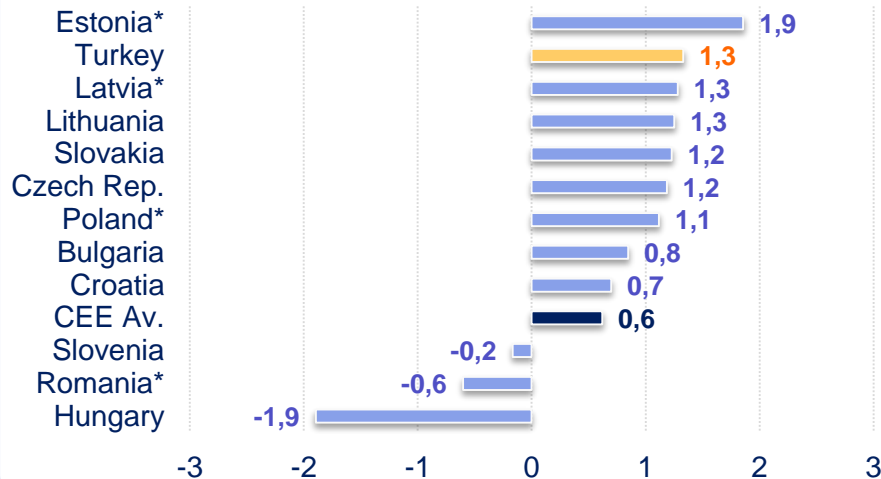
NPL (%)



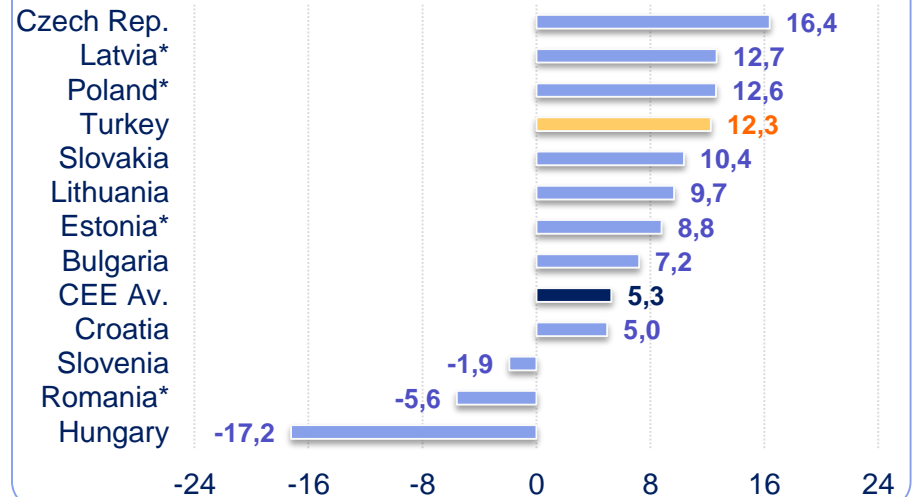
Capital Adequacy Ratio (%)



ROA (%)



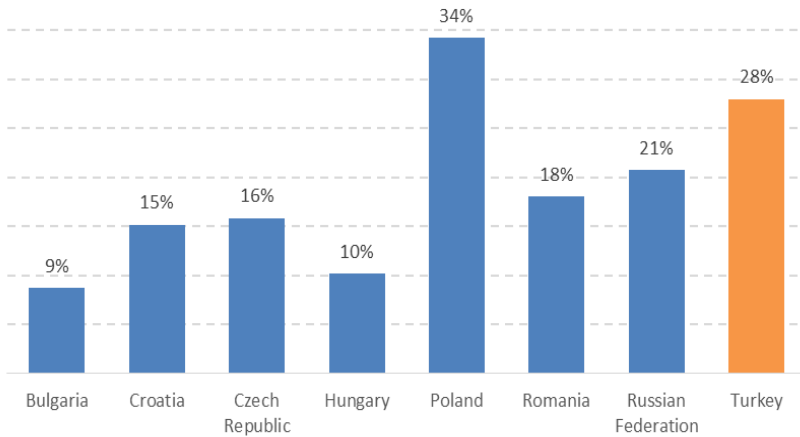
ROE (%)



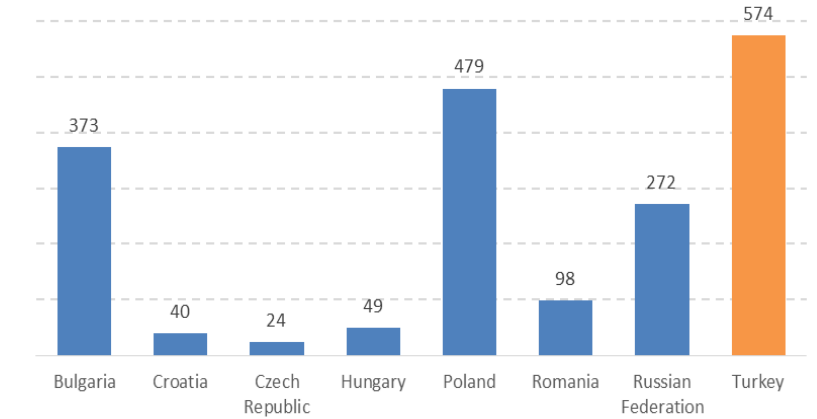
Source: BRSA, IMF – Financial Soundness Indicators/Q4-2014 (*) As of Q3-2014

Financial Markets Comparison

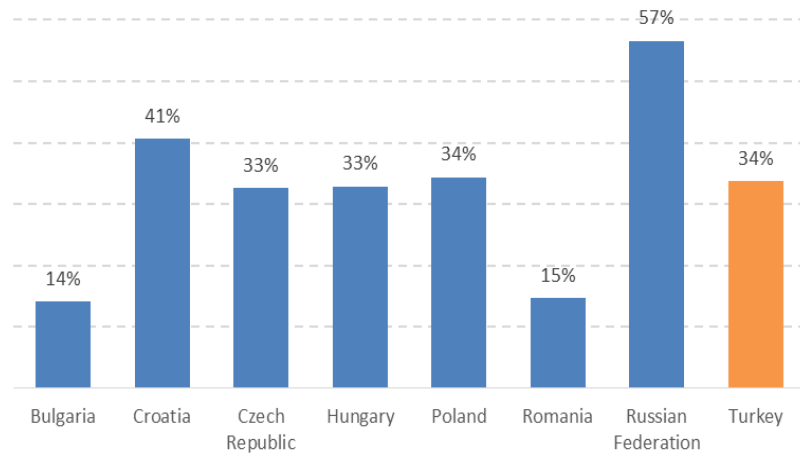
Market Cap to GDP by Country



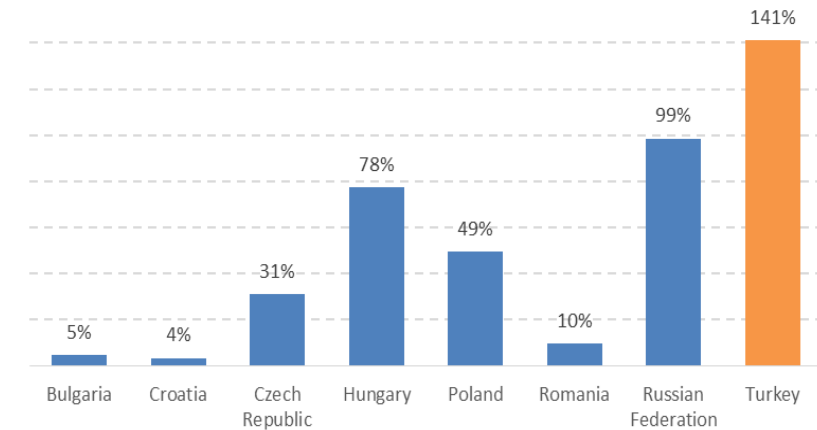
Numbers of Listed Companies



Stock Market + Private Debt Securities to GDP



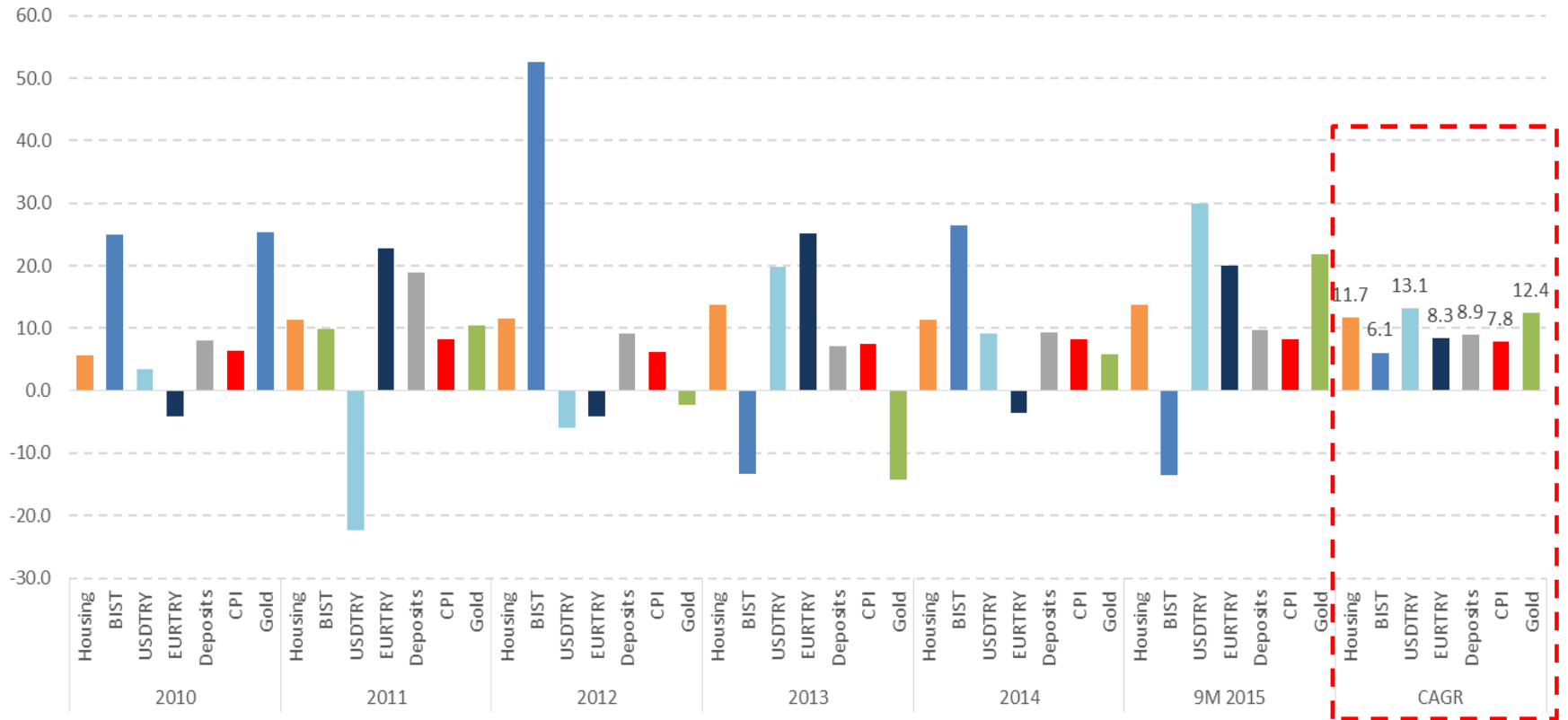
Stock Market Turnover Ratio



Sources: World Bank, WFE

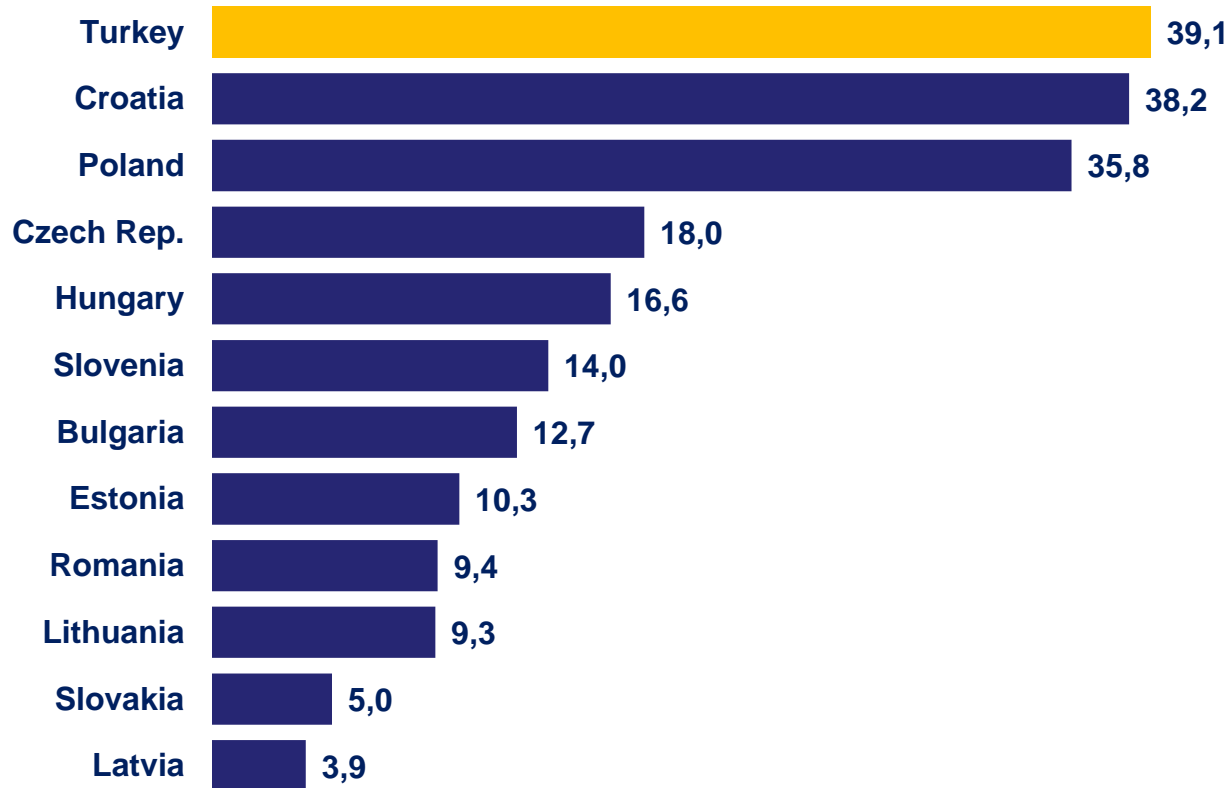
Competitive and less volatile returns from housing investments

Annual Return Rates of Investment Alternatives in Turkey



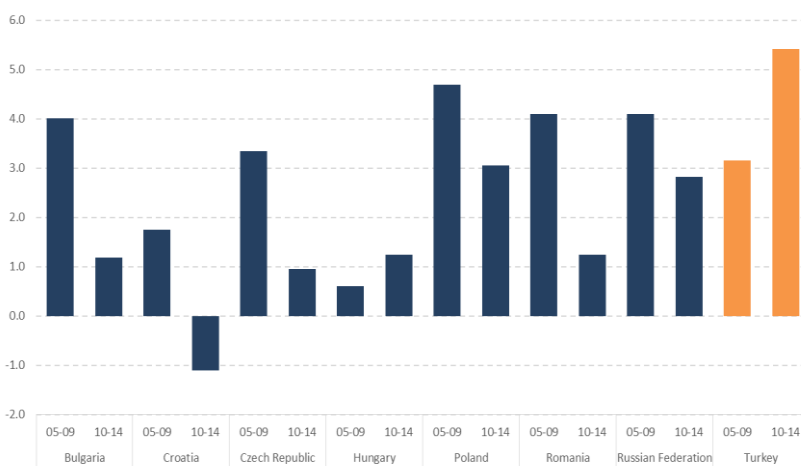
Sources: CBRT, TUIK, IMF, Borsa Istanbul

Market Capitalization of Listed Companies (% of GDP, 2012)

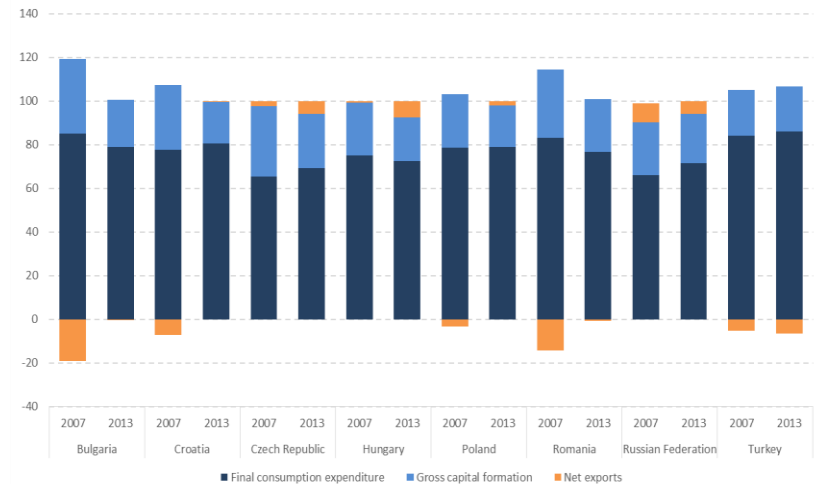


Growth Dynamics in CEE & Turkey

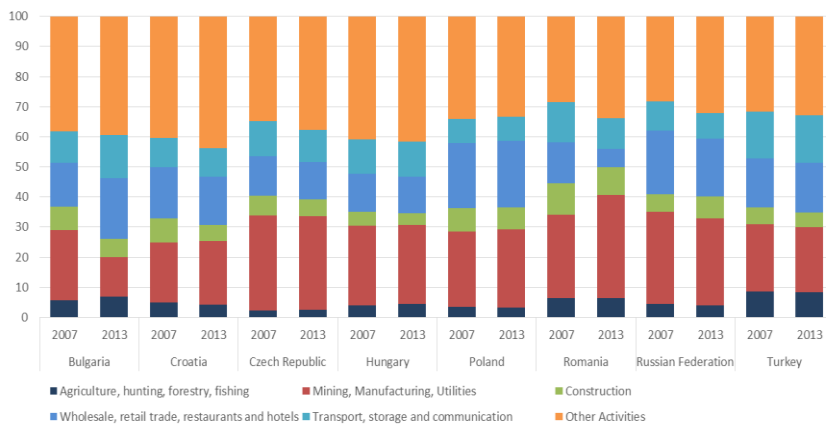
Average Real GDP Growth (%)



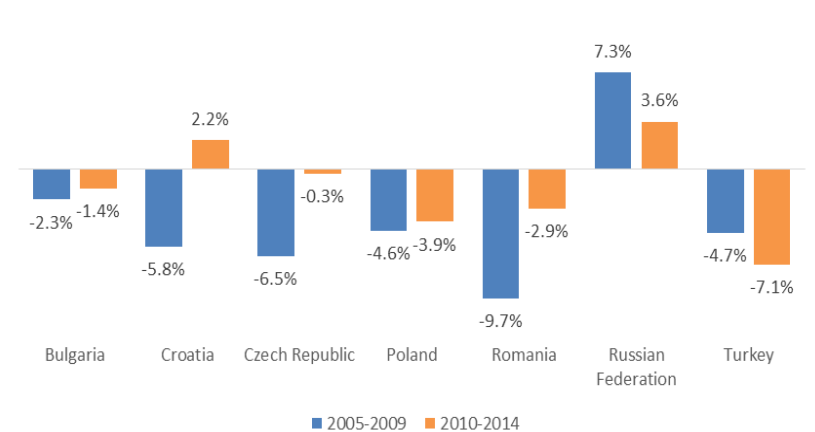
Composition of GDP



Breakdown of GDP by Industries



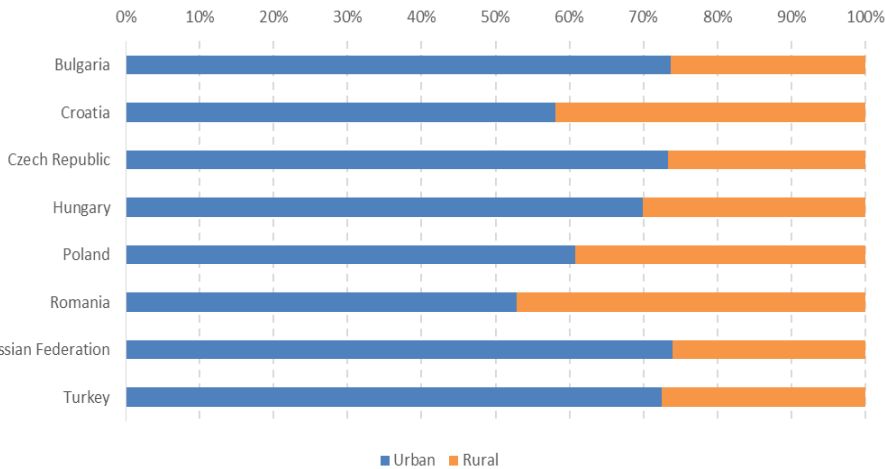
Current Account Deficit as % of GDP



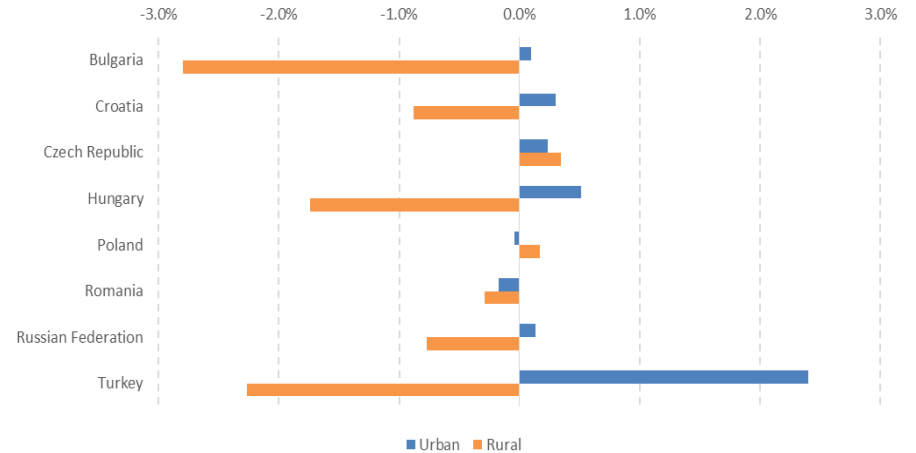
Sources: Unstats, World Bank

Demographics and culture shape the financial systems

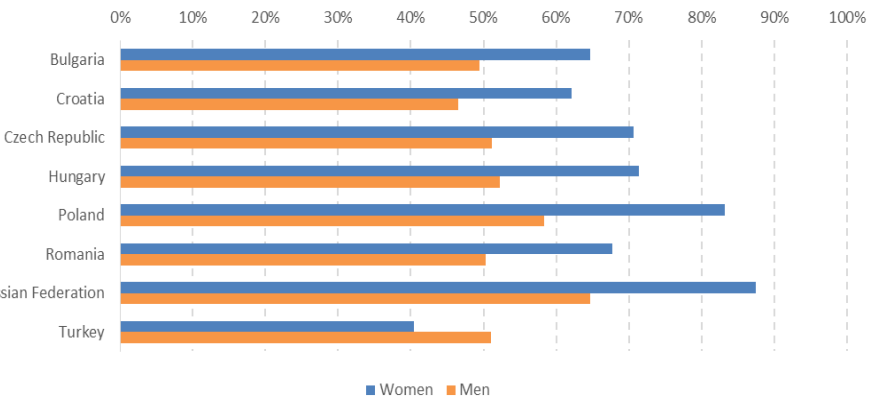
Population distribution (%)



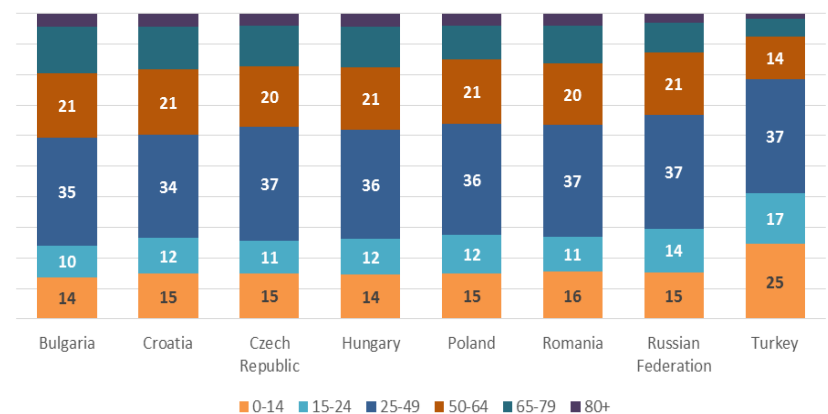
Population Growth (% , 2010-2015)



Post-Secondary Education Enrolment Ratio



Demographics by Age Groups



Sources: World Bank, Bloomberg