

# List of Charts, Tables and Figures

<b>I.</b>	<b>OVERVIEW</b>	
Chart I.1	Macrofinancial Outlook Index	1
Chart I.2	Global PMI	2
Chart I.3	Weekly Capital Flows to EMEs	2
Chart I.4	Selected Leading Indicators Regarding Economic Activity	3
Chart I.5	CDS Premium and Exchange Rate Volatility	3
Chart I.6	Annual Credit Growth	4
Chart I.7	Weekly Total Credit Growth Developments	4
Chart I.8	Average TL Funding Costs of SMEs and Large Firms	5
Chart I.9	Share of Corporate Sector's Financial Debt in GDP	5
Chart I.10	NPL Ratios	6
Chart I.11	NPL Balance and Components	6
Chart I.12	Ratio of Non-Deposit Funding Sources to External Funding Sources	6
Chart I.13	Cost of Syndicated Loans with a Maturity of 367 Days	6
Chart I.14	Asset and Equity Profitability	7
Chart I.15	CAR and Common Equity Tier 1 CAR	7
<b>I.1.I</b>	<b>Box: Steps Taken Towards Effective Functioning of Financial Markets</b>	
Table I.1.I.1	Main Measures and Regulations Targeting the Financial Markets	8
<b>II.</b>	<b>MACROECONOMIC OUTLOOK</b>	
<b>II.1</b>	<b>International Developments</b>	
Chart II.1.1	Economic Policy Uncertainty Indices	17
Chart II.1.2	Median Policy Rate Forecasts of FOMC Members and Market Expectations	17
Chart II.1.3	Sector-Based Indebtedness in EMDEs	17
Chart II.1.4	Sector-Based FX Borrowing in EMDEs	17
Chart II.1.5	Banks' Return on Equities	18
Chart II.1.6	Weekly Capital Flows to EMEs	18
Chart II.1.7	CDS Premiums in Emerging Economies	18
Chart II.1.8	Exchange Rate Increases	19
Chart II.1.9	Stock Indices	19
Chart II.1.10	10-Year Treasury Bond Returns in Advanced Economies	19
Chart II.1.11	10-Year Treasury Bond Returns in EMDEs	19
Chart II.1.12	Y-o-Y Growth Rates in Advanced Economies and EMDEs	20
Chart II.1.13	Manufacturing Industry PMI	20
Chart II.1.14	Commodity Indices	20
<b>II.1.I</b>	<b>Box: Policy Measures Taken Against the Coronavirus Outbreak and Their Global Financial Stability Implications</b>	
Chart II.1.I.1	Distribution of Policy Measures Taken in Response to the Coronavirus Outbreak in Selected Countries	23
Table II.1.I.1	Selected Countries' Policy Measures in Response to the Coronavirus Outbreak	27
<b>II.2</b>	<b>Domestic Main Macroeconomic Developments</b>	
Chart II.2.1	Annual GDP Growth and Contribution to Growth from the Expenditure Side	28
Chart II.2.2	Selected Leading Indicators regarding Economic Activity	28
Chart II.2.3	Central Government Budget Indicators	29
Chart II.2.4	Labor Market	29
Chart II.2.5	Real Effective Exchange Rates	29
Chart II.2.6	Foreign Trade and Tourism Revenues	29
Chart II.2.7	Current Account Balance	30

Chart II.2.8	Financing Sources of Current Account Balance	30
Chart II.2.9	Inflation and Policy Rates	31
Chart II.2.10	CDS Premium and Exchange Rate Volatility	31
<b>III.</b>	<b>NON-FINANCIAL SECTOR</b>	
<b>III.1</b>	<b>Household Developments</b>	
Chart III.1.1	Growth Rates of Households' Financial Assets and Liabilities, and Financial Leverage Ratio	33
Chart III.1.2	Indebtedness of Countries	34
Chart III.1.3	Household Annual Loan and Deposit Growth	35
Chart III.1.4	Consumer Loan and Savings Deposit Rate Developments	35
Table III.1.1	Households' Financial Assets	35
Chart III.1.5	Breakdown of Resident Households' Savings Deposits by TL and FX	36
Chart III.1.6	Change in Households' Deposits by Amounts	36
Chart III.1.7	Private Pension System	37
Chart III.1.8	Auto-Enrollment Pension Scheme	37
Chart III.1.9	BIST 100 Index and Household Equity Securities Portfolio	37
Table III.1.2	Households' Financial Liabilities	38
Chart III.1.10	Consumer Loans Extended by Finance Companies Based on Type	39
Chart III.1.11	Banking Sector Consumer Loans in Average Maturity	39
Chart III.1.12	Housing Sale Statistics	39
Chart III.1.13	Change in PCC Balance	39
<b>III.1.1</b>	<b>Box: Unemployment Insurance Fund and Short-Term Employment Allowance</b>	
Table III.1.1.1	Unemployment Insurance Fund Revenue and Expenditure Statement and Stock Fund Assets	42
<b>III.2</b>	<b>Corporate Sector Developments</b>	
Chart III.2.1	Industrial Production, Investment Tendency and Capacity Utilization	44
Chart III.2.2	Capital Goods Production and Import Quantity Indices	44
Chart III.2.3	Exports and Domestic Market Orders	45
Chart III.2.4	Corporate Sector Confidence Indices	45
Chart III.2.5	Share of Corporate Sector's Financial Debt in GDP	46
Chart III.2.6	Corporate Sector Total Financial Loans/GDP Ratio International Comparison	46
Chart III.2.7	Corporate Sector's FX Liabilities and Net FX Position	47
Chart III.2.8	Maturity Breakdown of Domestic TL and FX Loans at the Time of Credit Extension	47
Chart III.2.9	Breakdown of Derivatives Transactions by Currency	48
Chart III.2.10	Breakdown of Derivatives Transactions by Type	48
Chart III.2.11	Loan Standards and Loan Demand	49
Chart III.2.12	Average TL Funding Costs of SMEs and Large Firms	49
Chart III.2.13	Sectoral Breakdown of Loans	50
Chart III.2.14	Sectoral Breakdown of Loans Extended Since the Last Report Period	50
Chart III.2.15	Profitability Indicators of BIST Firms	50
Chart III.2.16	Interest Coverage and Debt-at-Risk Ratios of BIST Firms	50
Chart III.2.17	Liquidity and Turnover Ratios of BIST Firms	51
<b>IV.</b>	<b>FINANCIAL SECTOR</b>	
<b>IV.1</b>	<b>Credit Developments and Credit Risk</b>	
Chart IV.1.1	Annual Loan Growth	53
Chart IV.1.2	Credit/GDP Ratio	53
Chart IV.1.3	Annual Growth of TL Corporate Loans by Firm Size	55
Chart IV.1.4	Annual Growth of FX Corporate Loans by Firm Size	55
Chart IV.1.5	Commercial Loan Growth	56

Chart IV.1.6	Credit-Deposit Interest Rate Spreads	57
Chart IV.1.7	Factors Contributing to Corporate Loan Demand-Financing Needs	58
Chart IV.1.8	Factors Contributing to Corporate Loan Supply	58
Chart IV.1.9	Annual Growth Rates of Retail Loans	58
Chart IV.1.10	Retail Loan Growth	58
Chart IV.1.11	Retail Loan Rates	59
Chart IV.1.12	General-Purpose Loan Growth	59
Chart IV.1.13	Debit and Credit Card Expenditures	60
Chart IV.1.14	NPL Ratios	61
Chart IV.1.15	NPL Balance and Components	61
Chart IV.1.16	International Comparison of the NPL Ratio and Its Change	62
Chart IV.1.17	Corporate NPL Ratios	62
Chart IV.1.18	NPL Ratios for Retail Loans	63
Chart IV.1.19	General-Purpose Loan Aging Analysis	63
<b>IV.1.I</b>	<b>Box: Reserve Requirements Based On Loan Growth</b>	
Table IV.1.I.1	RR Ratios Differentiated According to Loan Growth of Banks	65
Table IV.1.I.2	TL RR Remuneration Rates Differentiated According to Loan Growth of Banks	65
Chart IV.1.I.1	Annual TL Loan Growth Rate of the Banking Sector	66
Table IV.1.I.3	FX RR Rates Differentiated According to Loan Growth	67
Chart IV.1.I.2	Banking Sector TL Loan Annual Real Growth Rate	67
Chart IV.1.I.3	Annual Real Growth Rate of A and B Group TL Loans	67
Table IV.1.I.4	Sectors Determined under NACE Classification	68
Chart IV.1.I.4	TL Loan Annual Real Growth Rate of the Banking Sector	69
Chart IV.1.I.5	Annual Real Growth rates of A Group and B Group TL Loans	69
<b>IV.1.II</b>	<b>Box: Treasury-Backed CGF Guaranteed Loan Packages</b>	
Table IV.1.II 1	Recent CGF Guaranteed Loan Packages	71
Chart IV.1.II 1	CGF Guaranteed Loans	72
Chart IV.1.II 2	TL Commercial Loan Rates	72
<b>IV.2</b>	<b>Liquidity Risk</b>	
Chart IV.2.1	Total Liquidity Coverage Ratios of Banks by Quantiles	73
Chart IV.2.2	FX Liquidity Coverage Ratios of Banks by Quantiles	73
Chart IV.2.3	Ratio of Non-Deposit Funding Sources to External Funding Sources	74
Chart IV.2.4	Loan-to-Deposit Ratio	75
Chart IV.2.5	Loan/(Deposits+Other Stable Funds) Ratio	75
Chart IV.2.6	Amounts of TL Currency Swap Transactions	75
Chart IV.2.7	Remaining Maturity Brackets of Spot TL Buying Currency Swaps	75
Chart IV.2.8	Amount and Growth Rate of Banks' External Liabilities	76
Chart IV.2.9	Cost of Syndicated Loans with a Maturity of 367 Days	76
Chart IV.2.10	Total External Debt Rollover Ratio and Its Average Maturity	77
Chart IV.2.11	External Debt Rollover Ratio	77
Chart IV.2.12	Amount of FX Liquid Assets	77
Chart IV.2.13	FX External Debt Due within 1 Year and Ratio of FX Liquid Assets	77
Chart IV.2.14	FX Securities Issued Abroad and Average Remaining Maturity	79
Chart IV.2.15	TL Securities Issued in Turkey and Average Remaining Maturity	79
<b>IV.3</b>	<b>Interest Rate and Exchange Rate Risk</b>	
Chart IV.3.1	Interest Rate Risk Via Repricing Channel Measured with Economic Value Approach	79
Chart IV.3.2	Interest Rate Risk of Fixed Interest Rate Securities at Fair Value through Other Comprehensive Income	79
Chart IV.3.3	Banking Sector's FX Position	80
Chart IV.3.4	Shares of Gross Positions (Assets+Liabilities) of Off-Balance Sheet FX Transactions	80

<b>IV.4</b>	<b>Profitability and Capital Adequacy</b>	
Chart IV.4.1	Return on Assets and Equities	81
Chart IV.4.2	CAR and Core Tier 1 CAR	81
Chart IV.4.3	Effect of Income/Expenditure Expense Items on ROA	82
Chart IV.4.4	Contribution to Changes in the Net Interest Income	82
Chart IV.4.5	Additional NPL Indicators	83
Chart IV.4.6	Currency Swap Transaction Costs and Interest Rates	83
Chart IV.4.7	Changes in Equity	84
Chart IV.4.8	Risk and Assets Developments	84
Chart IV.4.9	CARs by Sector and Types of Banks	84
<b>V.</b>	<b>SPECIAL TOPICS</b>	
<b>V.1</b>	<b>Effects of Unemployment and Credit Developments on Asset Quality</b>	
Chart V.1.1	NPL Ratios by Loan Types	87
Chart V.1.2	NPL Ratios by Retail Loan Types	87
Chart V.1.3	Labor Force, Employment Levels and Employment Rate	88
Chart V.1.4	Unemployment Rates	88
Chart V.1.5	Historical Evolution of Series in the Model	89
Table V.1.1	Granger Causality Test Results	89
Chart V.1.6	Responses of NPL to shocks in U	90
Chart V.1.7	Responses of NPL to shocks in KR	90
Chart V.1.8	Variance Decomposition for NPL	91
Table V.1.2	ARDL Bound Test and Long Term Equilibrium Model	91
<b>V.2</b>	<b>The Coherence between Credit and Business Cycles: Evidence from the Turkish Banking Sector</b>	
Chart V.2.1	Credit Market Outlook during Growth Shocks	94
Chart V.2.2	Credit Market Outlook during Growth Shocks	95
Chart V.2.3	Synchronization Index	98
Chart V.2.4	Concordance Index	98
Chart V.2.5	Similarity Index	98
Table V.2.1	Ordered Logistic Regression Results	100
Table V.2.2	Ordered Logistic Regression Results	100
Table V.2.3	Ordered Logistic Regression Results	101
<b>V.3</b>	<b>Factors Impacting CDS Premium in EM Economies: A Case Study for Turkey</b>	
Chart V.3.1	CDS Developments	104
Chart V.3.2	Correlation between Turkey and EM CDS Premium	104
Chart V.3.3	CDS Liquidity Conditions	105
Table V.3.1	ROC Analysis Results	107
Chart V.3.4	CDS Levels Implied by EME Model and Turkey CDS Premium	107

## Abbreviations

<b>ABS</b>	Asset Backed Securities
<b>AEPS</b>	Auto-Enrollment Pension Scheme
<b>AER</b>	Adjusted for Exchange Rate
<b>AMC</b>	Asset Management Company
<b>BAT</b>	Banks Association of Turkey
<b>BIS</b>	Bank for International Settlements
<b>BIST</b>	Borsa Istanbul
<b>BLTS</b>	Bank Loans Tendency Survey
<b>BRSA</b>	Banking Regulation and Supervision Agency
<b>CAR</b>	Capital Adequacy Ratio
<b>CBRT</b>	Central Bank of the Republic of Turkey
<b>CDS</b>	Credit Default Swap
<b>CMB</b>	Capital Markets Board of Turkey
<b>CPI</b>	Consumer Price Inflation
<b>CUR</b>	Capacity Utilization Rate
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortization
<b>ECB</b>	European Central Bank
<b>EMEs</b>	Emerging Market Economies
<b>EPFR</b>	Emerging Portfolio Fund Research
<b>EU</b>	European Union
<b>EURIBOR</b>	Euro Interbank Offered Rate
<b>Fed</b>	Federal Reserve System
<b>FOMC</b>	Federal Open Market Committee
<b>FSB</b>	Financial Stability Board
<b>FX</b>	Foreign Exchange
<b>FXNGP</b>	Foreign Exchange Net General Position
<b>GDP</b>	Gross Domestic Product
<b>GDDS</b>	Government Domestic Debt Securities
<b>G20</b>	Group of Twenty
<b>ICI</b>	Istanbul Chamber of Industry
<b>IFS</b>	International Financial Statistics
<b>IIF</b>	Institute of International Finance
<b>IMF</b>	International Monetary Fund
<b>IOSCO</b>	International Organization of Securities Commissions
<b>IPI</b>	Industrial Production Index

<b>ISTOD</b>	Employment Oriented Business Loan Package
<b>IVME</b>	Advanced, Productive, Indigenous Industry Financing Package
<b>KGF</b>	Credit Guarantee Fund
<b>KKB</b>	Credit Bureau of Turkey
<b>LCR</b>	Liquidity Coverage Ratio
<b>LDR</b>	Loan-to-Deposit Ratio
<b>LDR+</b>	Ratio of Loans to the Sum of Deposits and Other Stable Funds
<b>LIBOR</b>	London Interbank Offered Rate
<b>LHA</b>	Left-Hand Axis
<b>LTV</b>	Loan-to-Value Ratio
<b>MBS</b>	Mortgage Backed Securities
<b>MKK</b>	Central Securities Depository of Turkey
<b>MPC</b>	Monetary Policy Committee
<b>MSCI</b>	Morgan Stanley Capital International
<b>MUSIAD</b>	Independent Industrialists and Businessmen's Association
<b>NACE</b>	Statistical Classification of Economic Activities in the European Community
<b>NPL</b>	Non-Performing Loan
<b>OMO</b>	Open Market Operations
<b>OPEC</b>	Organization of Petroleum Exporting Countries
<b>PCC</b>	Personal Credit Card
<b>PD</b>	Primary Dealership
<b>PDP</b>	Public Disclosure Platform
<b>PMC</b>	Pension Monitoring Center
<b>PMI</b>	Purchasing Managers Index
<b>PPS</b>	Private Pension System
<b>PUMAX</b>	Purchasing Managers Index
<b>RWA</b>	Risk-Weighted Assets
<b>ROA</b>	Return on Assets Ratio
<b>ROM</b>	Reserve Options Mechanism
<b>RR</b>	Reserve Requirement
<b>SDIF</b>	Savings Deposit Insurance Fund
<b>SME</b>	Small and Medium-Sized Enterprises
<b>TFRS</b>	Turkish Financial Reporting Standards
<b>TLREF</b>	Turkish Lira Overnight Reference Interest Rate
<b>TRY/TL</b>	Turkish Lira
<b>TURKSTAT</b>	Turkish Statistical Institute
<b>TWF</b>	Turkey Wealth Fund

<b>USA</b>	United States of America
<b>WAFC</b>	Weighted Average Cost of the CBRT Funding Rate
<b>WHO</b>	World Health Organization