



HOUSEHOLD SECTOR ANALYSIS IN TURKEY



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CENTRAL BANK OF THE REPUBLIC OF TURKEY

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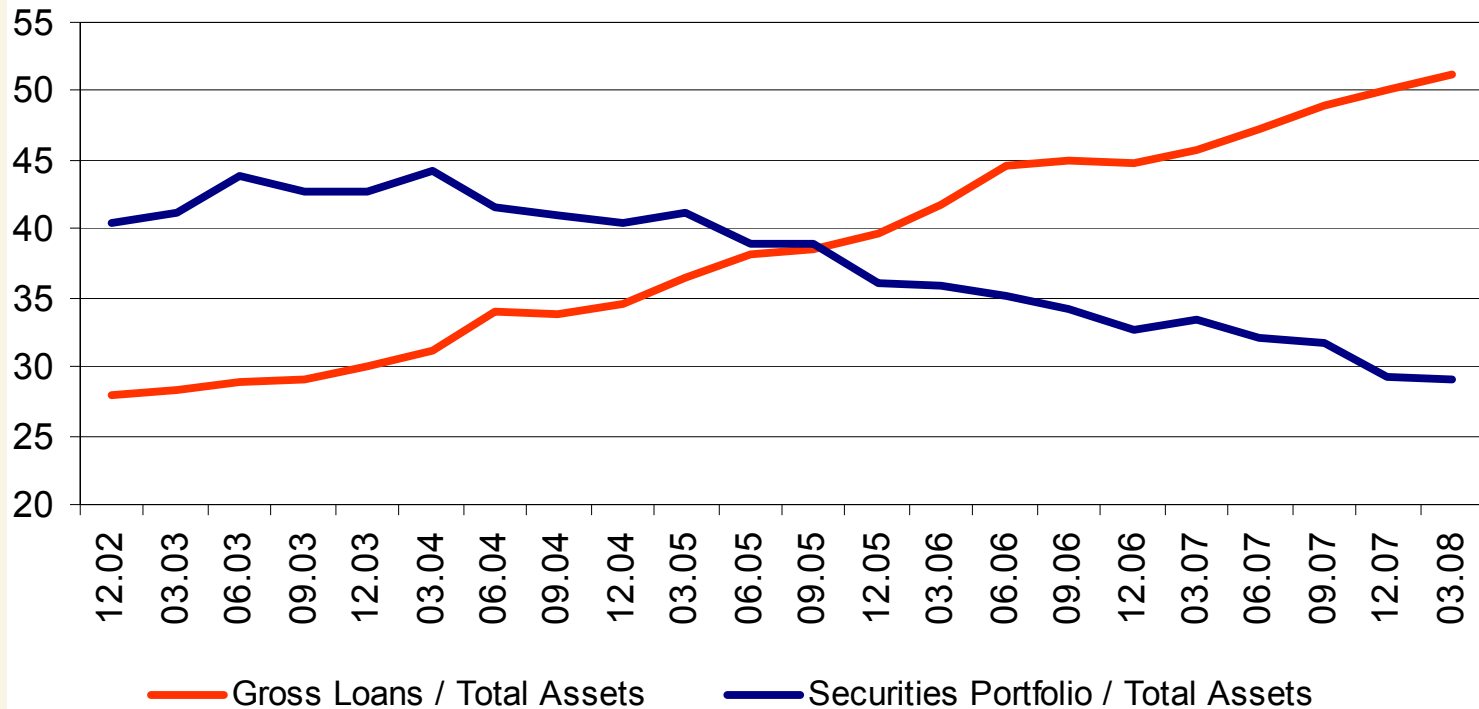
AGENDA

- I. Why do we analyze the household sector ?
- II. How do we analyze the household sector ?



The Importance of Household Sector Analysis

Shares of Gross Loans and Securities Portfolio in Total Assets (%)

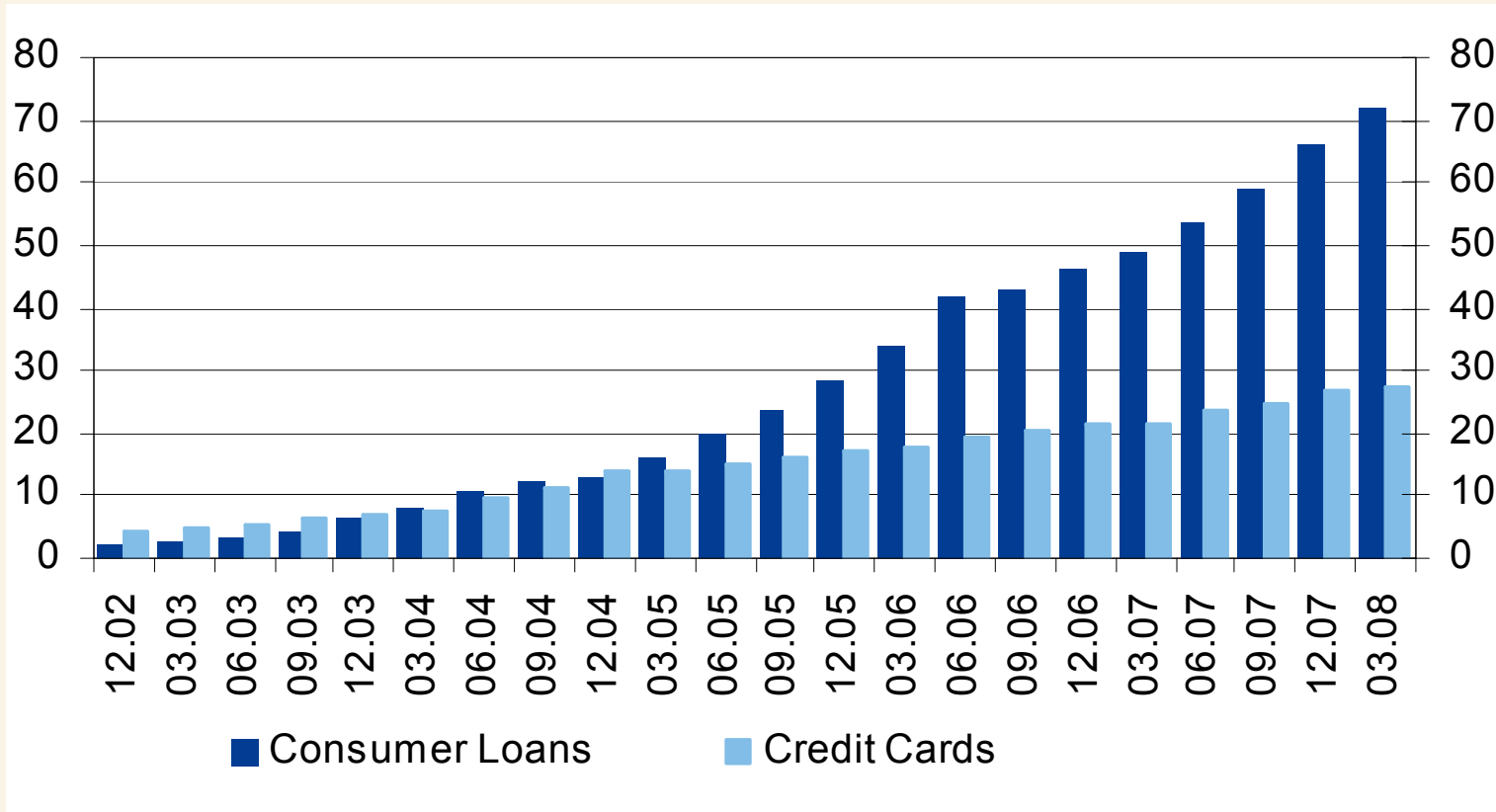


Source: BRSA-CBRT



The Importance of Household Sector Analysis

Retail Loans (Excluding NPLs, Billion YTL)

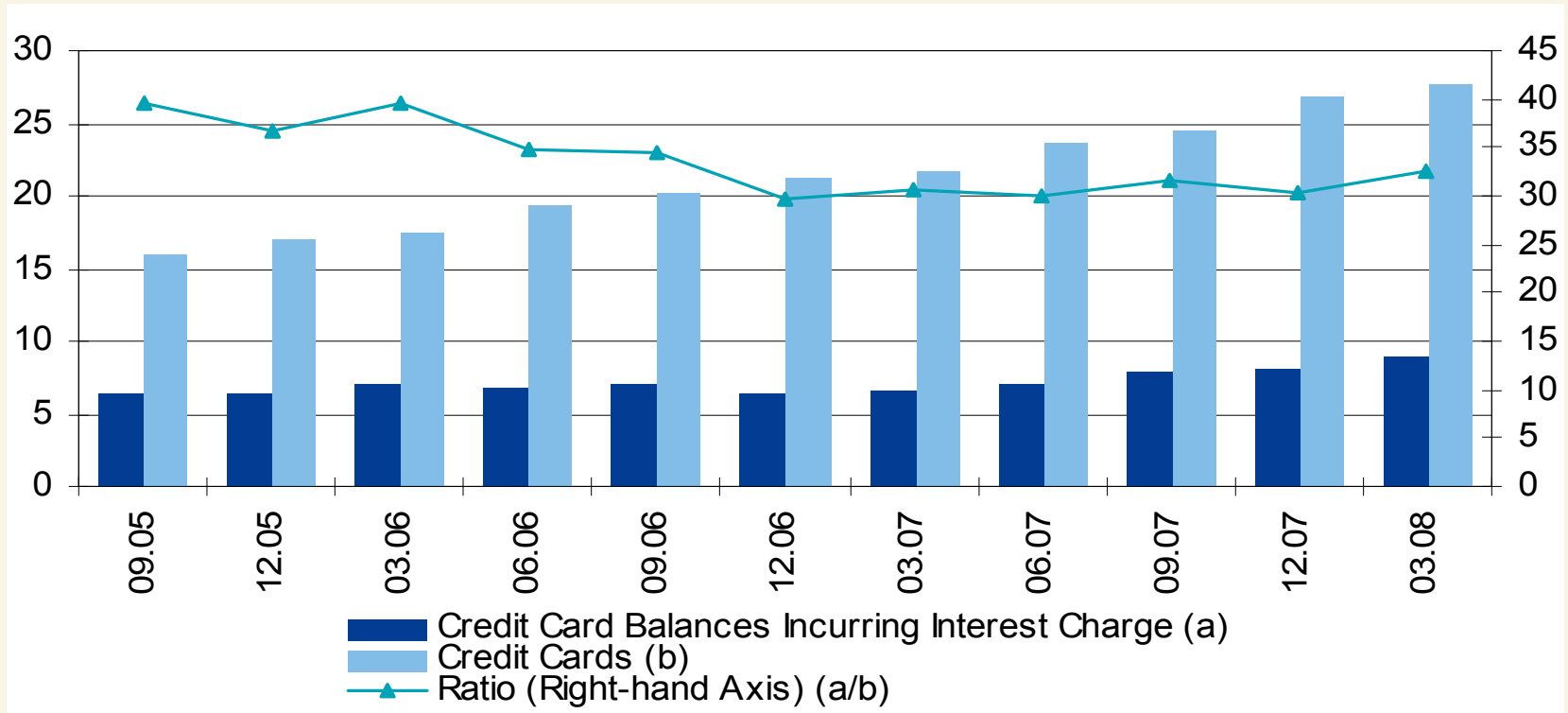


Source: CBRT



The Importance of Household Sector Analysis

Credit Card Balances of Deposit Banks and Balances That Incur Interest Charge (Billion YTL, %)

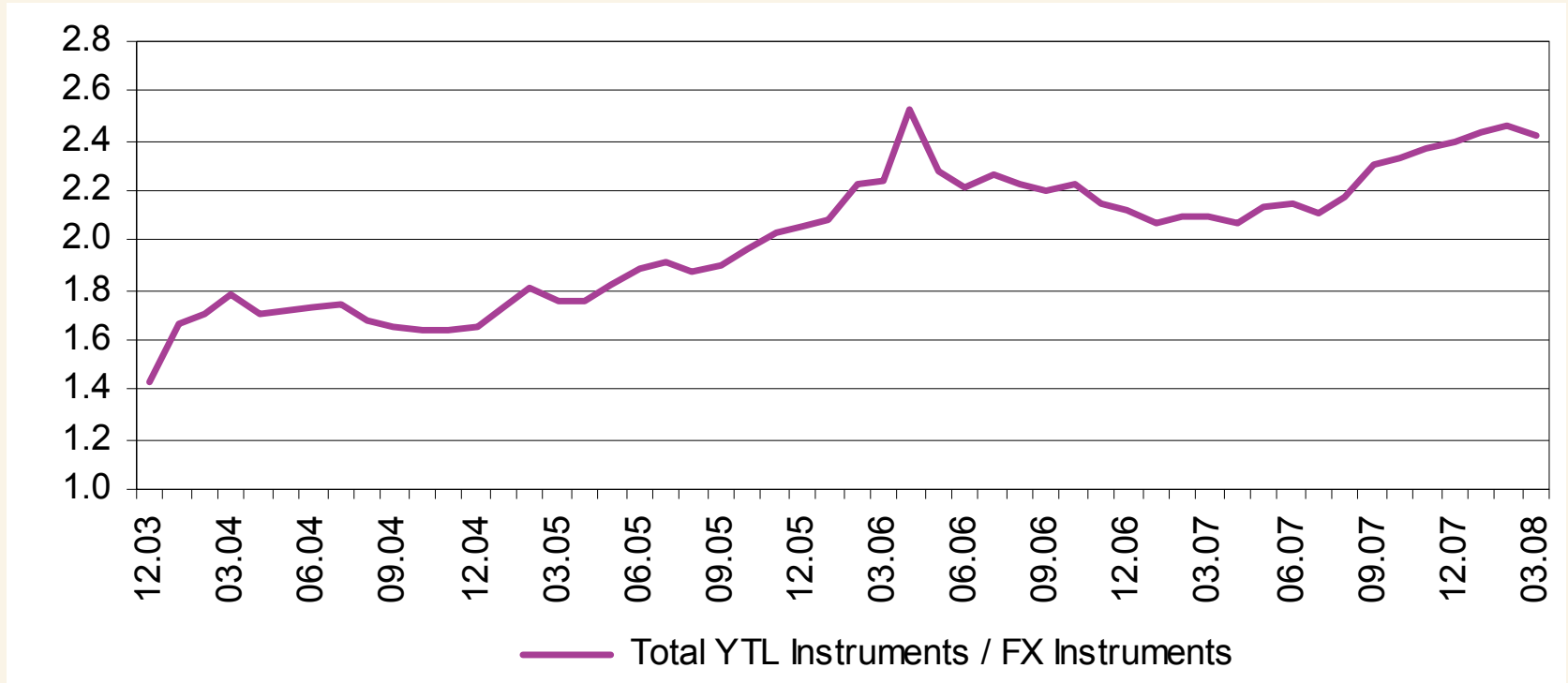


Source: CBRT



The Importance of Household Sector Analysis

Ratio of YTL-FX Denominated Investment Instruments

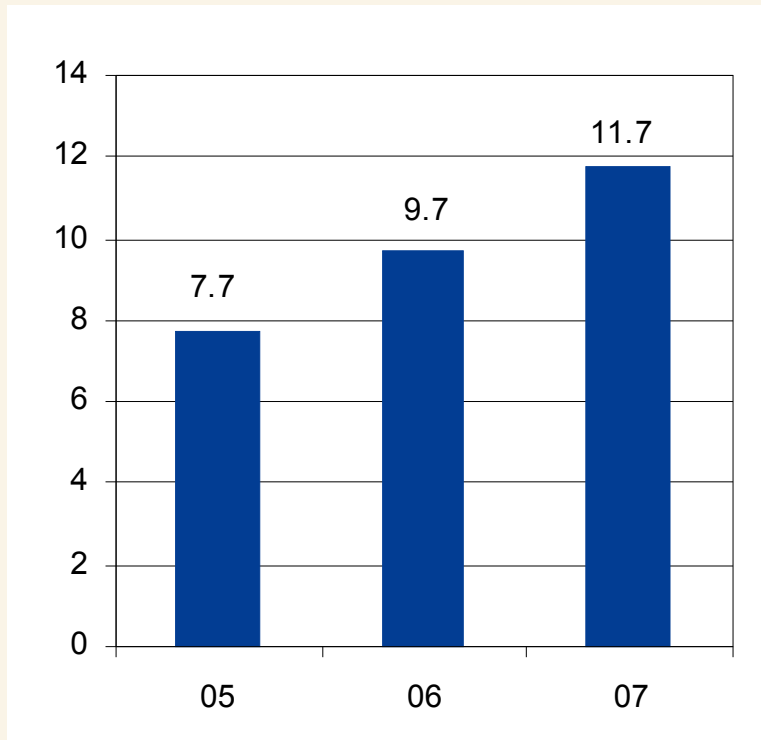


Source: BRSA-CBRT, CMB, CRA



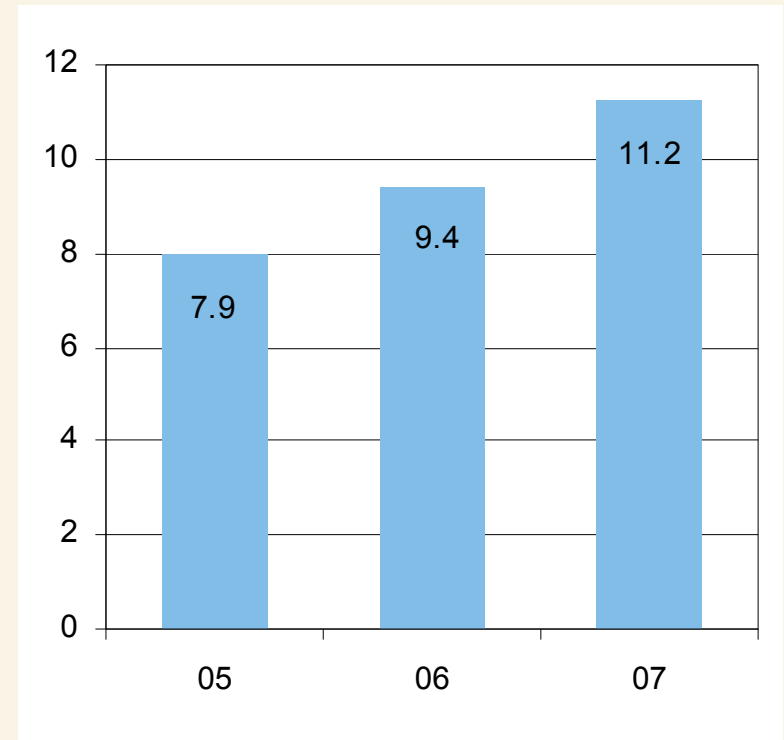
Household Sector Analysis

Household Liabilities to GDP (%)



Source: CBRT-BRSA, TURKSTAT

Retail Loans to Household Consumption Expenditures (%)

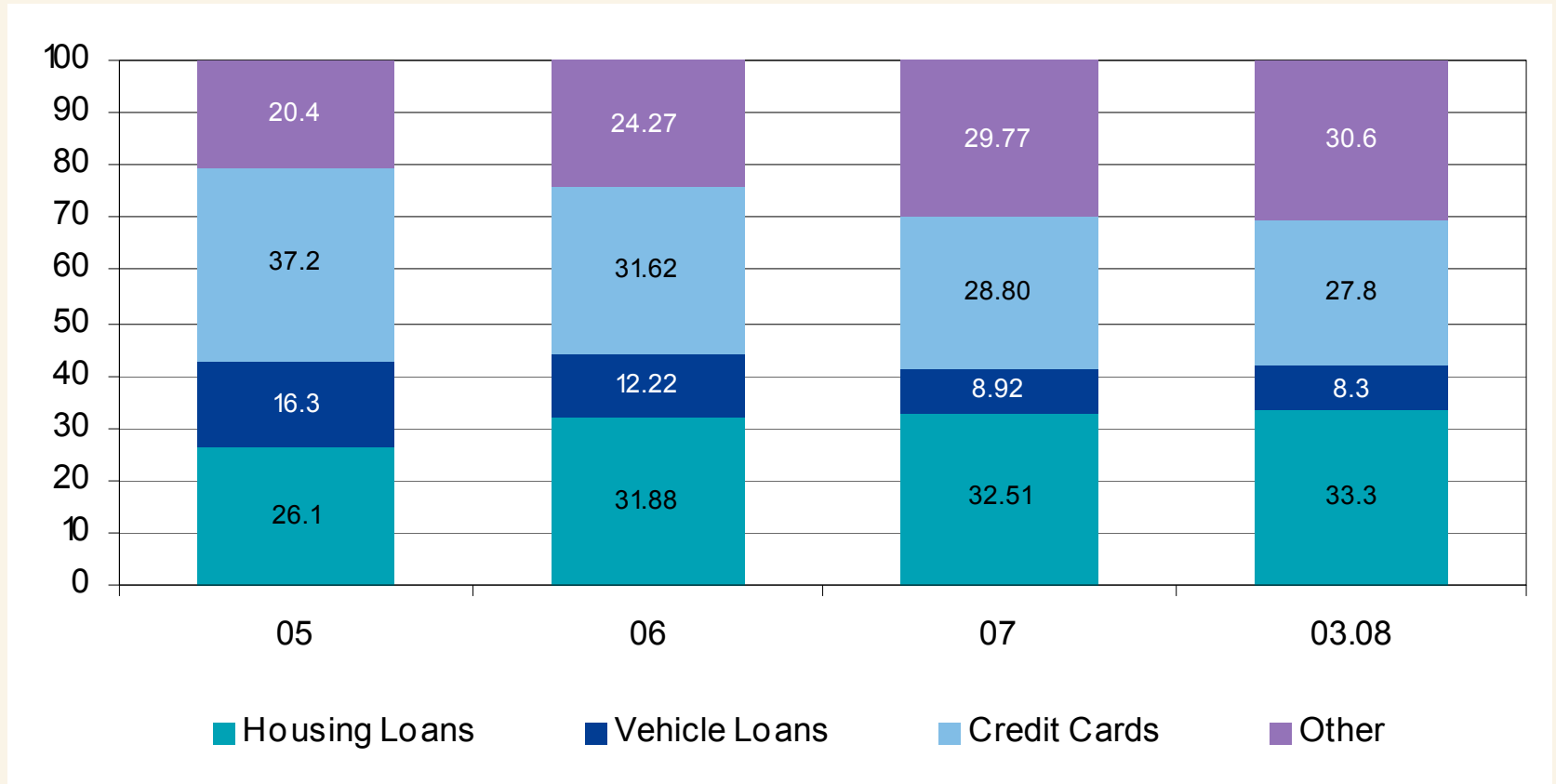


Source: CBRT-BRSA, TURKSTAT



Household Sector Analysis

Decomposition of Household Debt (%)



Source: CBRT-BRSA



Household Sector Analysis

Housing Loans to GDP (%)

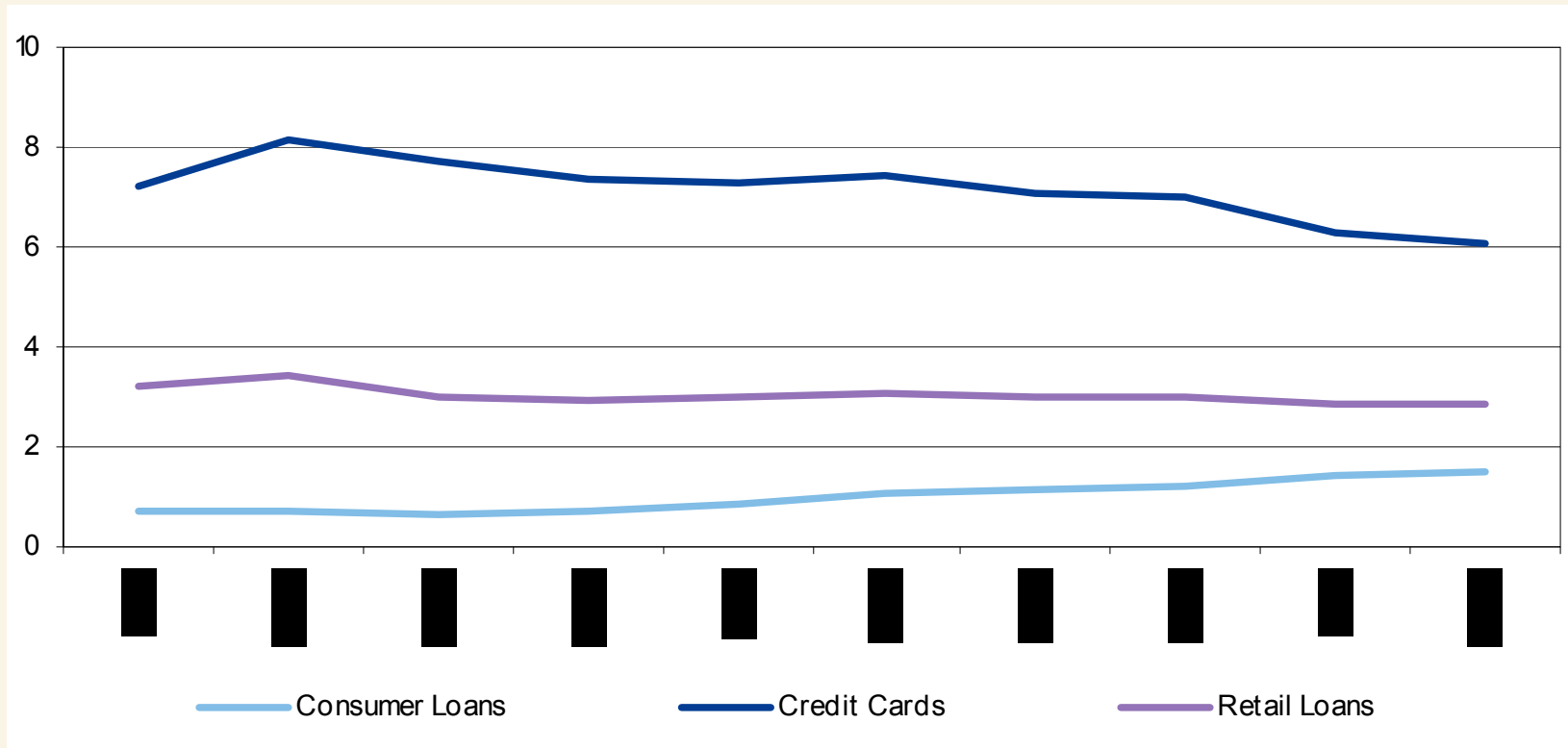
	2006	2007
England	82.7	85.6
USA	73.6	74.7
Turkey	3.1	3.8

Source: FED, BOE, CBRT, IMF



Household Sector Analysis

NPL Ratios (%)



Source: CBRT



Household Sector Analysis

Household Disposable Income, Indebtedness and Interest Payments (Million YTL)

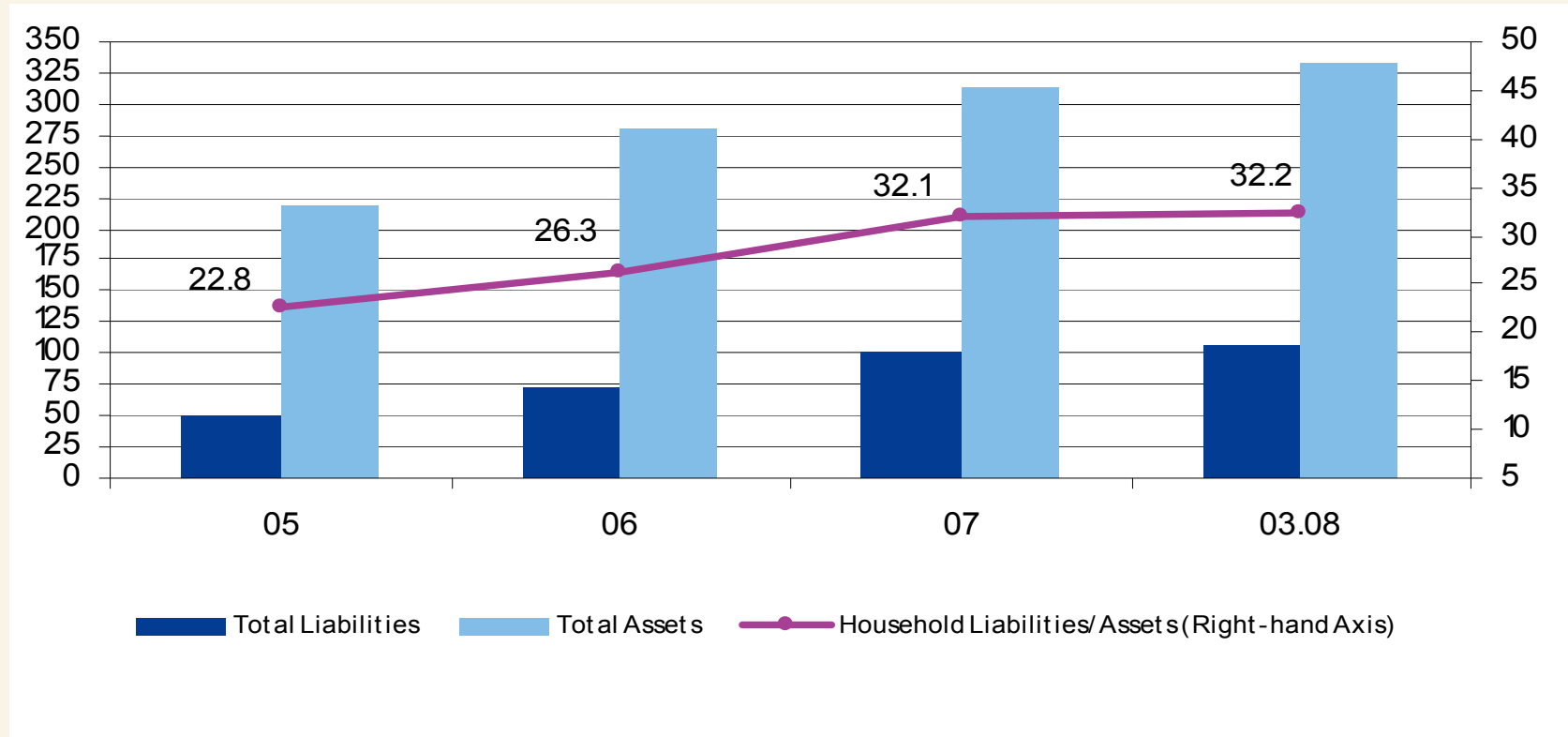
	2004	2005	2006	2007
Household Interest Payments	7,219	10,209	12,109	15,576
Household Debt	28,073	50,033	73,537	100,564
Household Disposable Income	218,752	255,640	292,775	340,786
Interest Payments / Disposable Income (%)	3.3	4.0	4.1	4.6
Debt / Disposable Income (%)	12.8	19.6	25.1	29.5

Source: CBRT-BRSA, TURKSTAT, SPO



Household Sector Analysis

Households' Financial Assets and Liabilities (Billion YTL, %)



Source: BRSA-CBRT, CMB, CRA



In Conclusion

By our Financial Stability Reports,

- On the side of the banking sector, we aim at increasing awareness about their exposure to the household sector due to mostly fixed rate consumer loans as well as drawing attention to the increasing indebtedness of households.
- On the side of households, we invite the households to be cautious about their FX-indexed borrowings and the potential FX risk especially if they don't have FX income as well as about the proper usage of credit cards.
- CBRT also cooperates with Banking Regulation and Supervision Agency on obtaining credits data and exchanges information. Also, a "Survey of Household Finances" by The Scientific and Technological Research Council of Turkey is underway, which will enable us to assess household sector more thoroughly.



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THANK YOU FOR ATTENTION!