

Türkiye: Weekly Banking Tracker

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1 March 2024

- In the week ending by March 1, foreign currency adjusted weekly credit growth accelerated from 0.8% to 1.1% due to commercial credits of both public and private banks. Total credits' 13-week annualized trend rose from 27.7% to 29.4%.
- Among the sub-segments of TL credits, TL commercial credits' weekly growth accelerated due to both SME and non-SME lending in public and private banks. Consumer credits (excluding credit cards) decelerated mainly due to general purpose loans in the sector. The weekly growth of consumer credit cards has been accelerating since 2 weeks in the sector, though at a faster rate in public banks.
- Weekly growth of FC credits decelerated with non-SME lending in both public and private banks.
- In the case of deposits, TL deposits fell by TL 64.2bn led by the fall in TL time deposits of corporates. Residents' FC deposits fell by \$897mn due to the decline in corporates' USD deposits (\$2bn) compared to the increase in holds' both gold and USD deposits by around \$500mn each. Adjusted from price effects, FC deposits fell by \$1.5bn according to our calculations. Year to date, FC deposits rose by \$330mn if price effects are adjusted.
- The FC protected scheme (in US dollar terms) continued to fall and declined to USD 74.3bn. The share of TL deposits excluding FC protected scheme in total deposits fell to 43.2% (vs. the CBRT's target of 50% in 2024).
- Commercial credit rates remained almost stable at around 53.4%, and consumer rates fell by 50bps to 58.5%, worsening further the spreads.
- In its release dated March 6, the CBRT reduced the monthly growth caps for consumer general purpose loans and lira commercial loans to 2% (from 3% and 2.5%, respectively) regarding banks' loan growth-based securities maintenance practice. Furthermore, on March 7 the CBRT decided to implement TL required reserves for the loans determined by the CBRT exceeding the monthly growth rate of 2% (to be kept blocked for one year) as of March 29. Hence, we expect increasing interest rates in the coming weeks. With these steps, the CBRT aims to decelerate credit growth and reduce dollarization tendency of residents.
- As released by the CBRT, TL deposit rates rose by 100bps to 47.8%. Among the brackets, the strongest increase was in up to 3-month bracket with 136bps rising to 53.3%, which remains to be the highest TL deposit interest rate.
- On FC deposit rates, EUR rates continued to hover around 0.96%; and USD deposit rates rose slightly to 2%. The highest FC deposit rates stand at up to 3 months maturity bracket in EUR with 1.1%; and in up to 1yr in USD with 2.3%.
- The Non-Performing Loans (NPL) ratio of the sector fell to 1.5% (1.18% in public; 2% in private).

13-Week Average, Annualized Growth Rates (if not particularly specified)

Figure 1. Total Loans (FX adjusted)

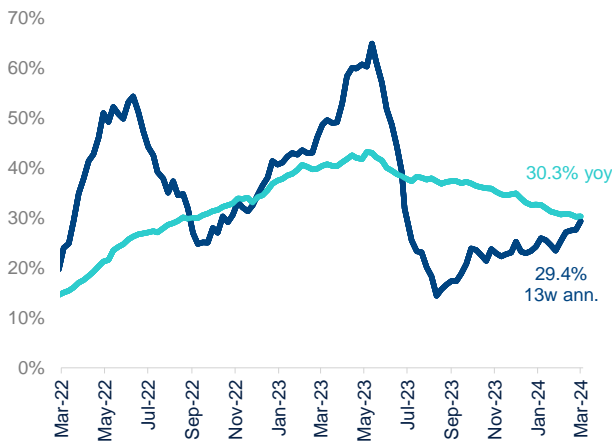


Figure 2. Total Loans (FX adjusted)

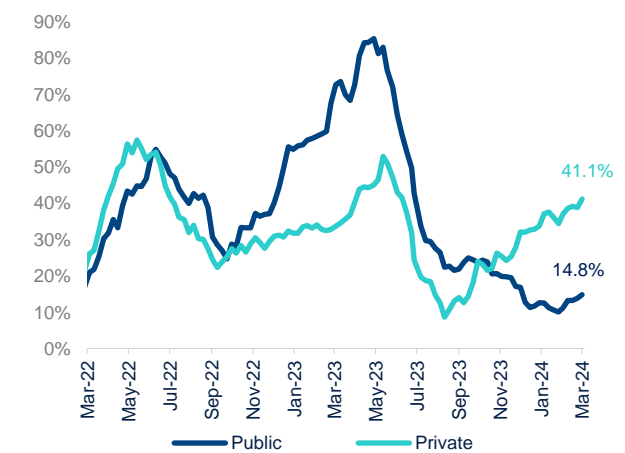


Figure 3. **Consumer Loans in Segments (4-week average)**

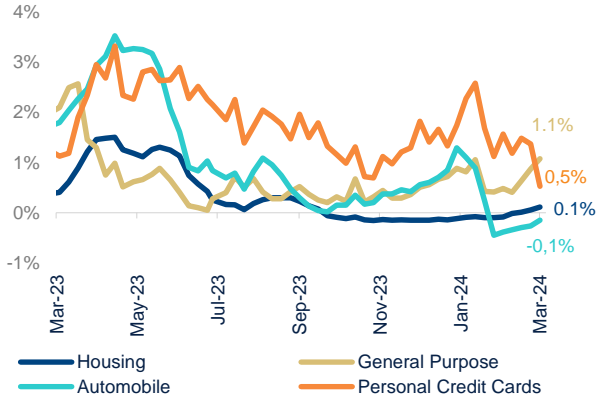


Figure 4. **Consumer Loans (w/o personal credit cards, 4-week average)**

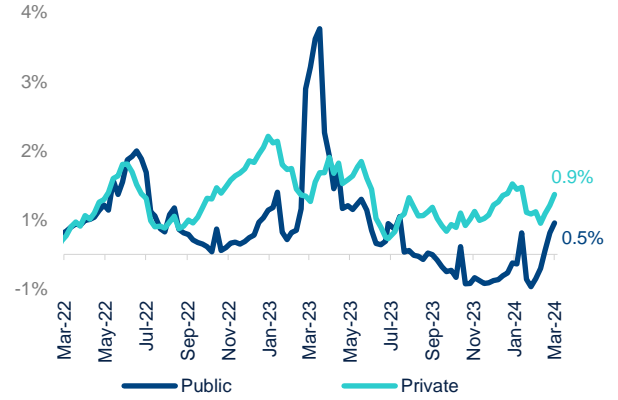


Figure 5. **Commercial Loans (TL & USD)**

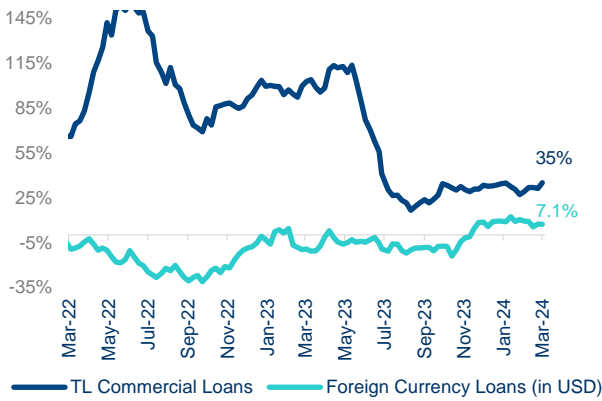


Figure 6. **TL Commercial Loans**

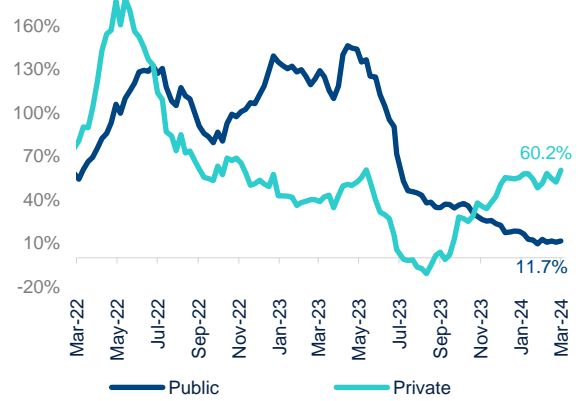


Figure 7. **TL SME Credit**

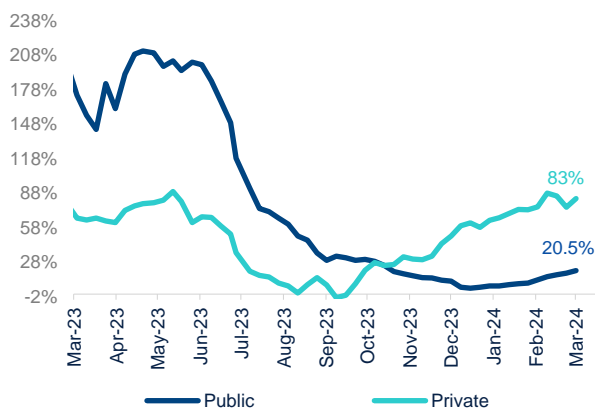


Figure 8. **TL Non-SME Commercial Credit**

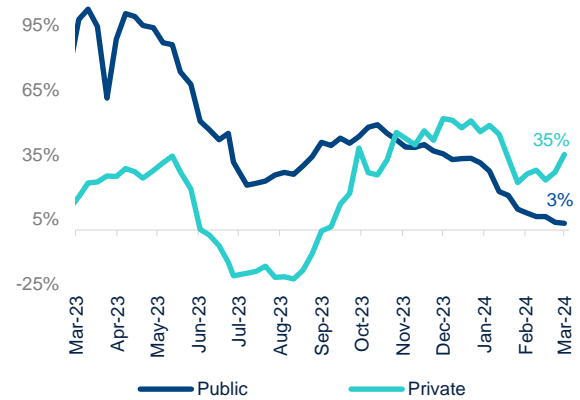


Figure 9. **FC SME Credits (in USD)**

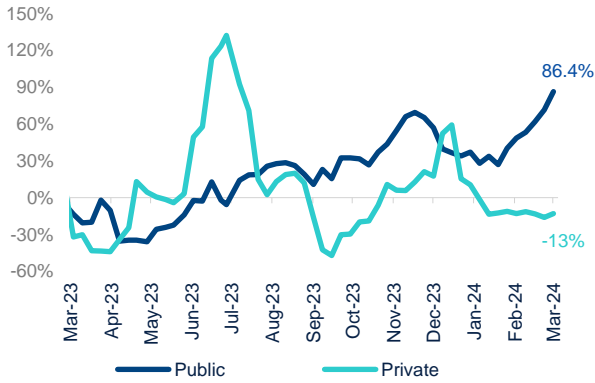


Figure 10. **FC Non-SME Credits (in USD)**

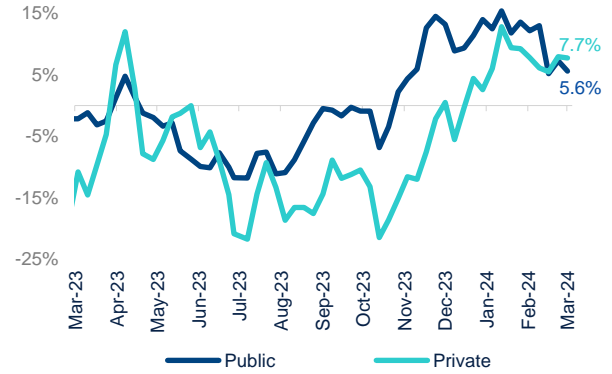


Figure 11. **Deposit Growth (TL & FC in USD)**

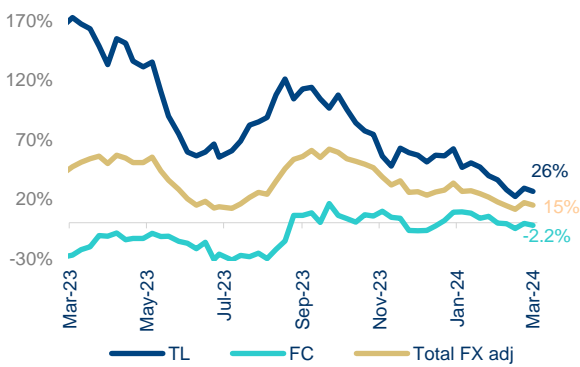


Figure 12. **FC Protected Time Deposits (bn USD)**

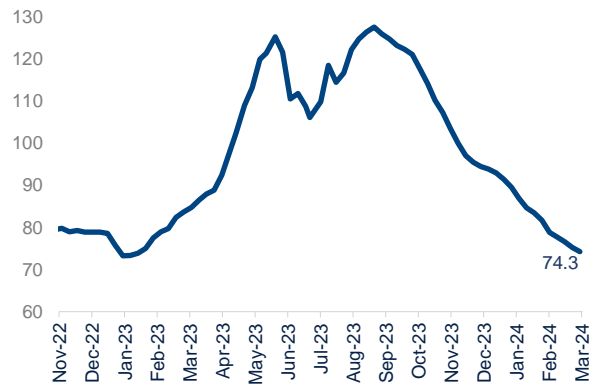


Figure 13. **Share of TL Deposits (% , excluding FC Protected Deposits)**

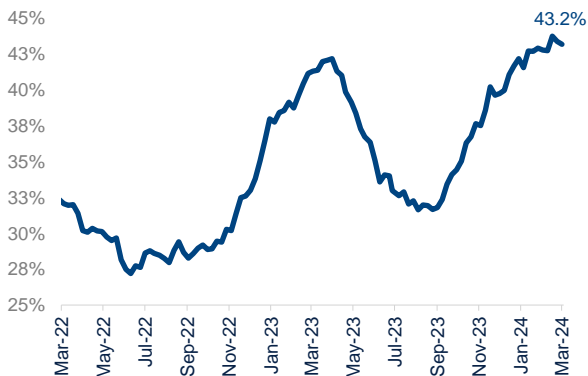


Figure 14. **Net FC Position of the Deposit Banks (% , ratio to Equity)**

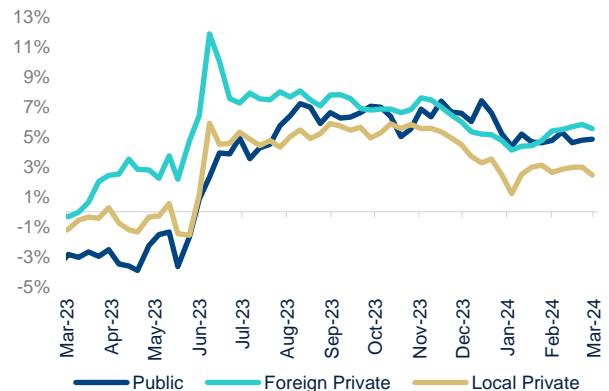


Figure 15. TL Interest Rates (%)

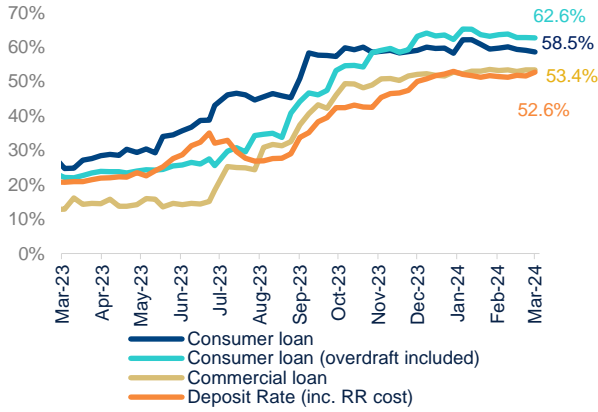


Figure 16. TL Deposit Interest Rates (%)

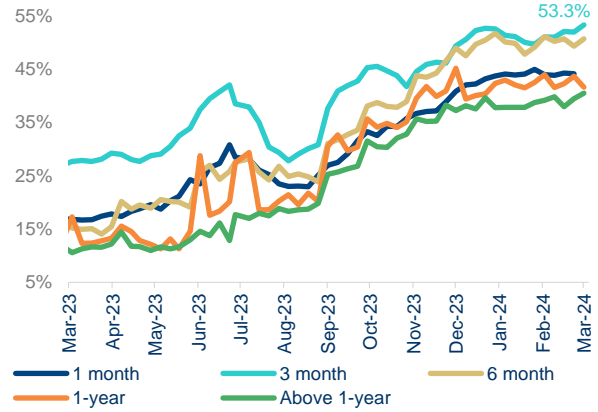


Figure 17. EURO Deposit Interest Rates (4w avg %)

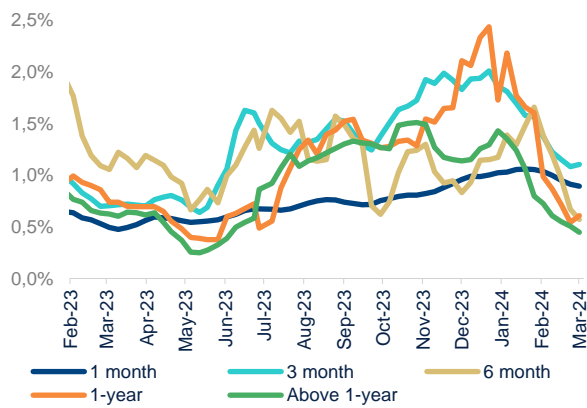


Figure 18. USD Deposit Interest Rates (4w avg %)

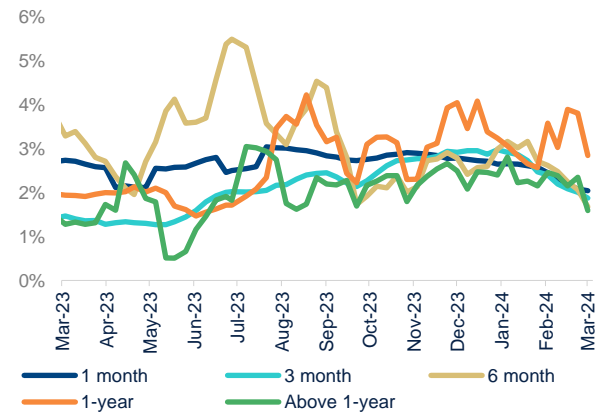


Figure 19. Consumer Interest Rates (%)

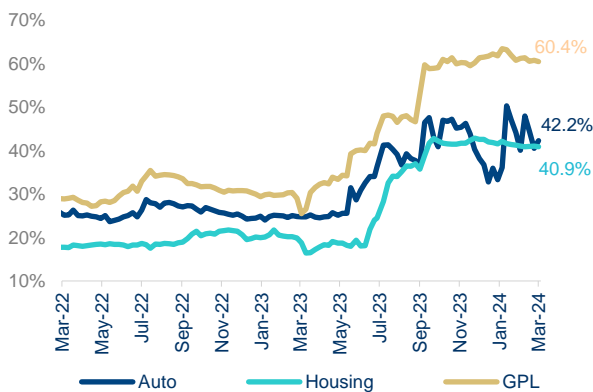
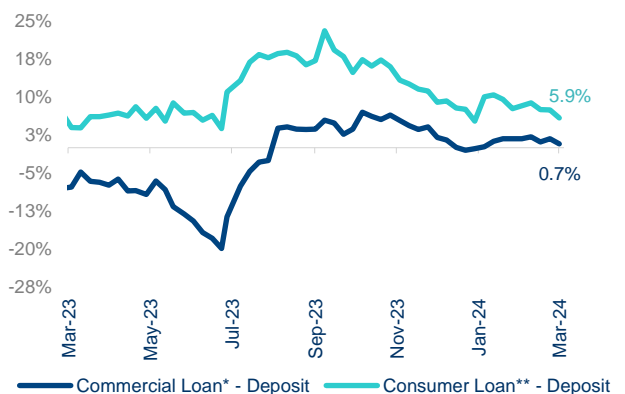


Figure 20. Interest Rate Spread (% , including TL RR cost)



* excludes corporate overdraft account rates and corporate credit card rates. ** excludes other consumer overdraft account rates.

* The FX adj. credits are calculated using the revised methodology of the CBRT on the exchange rate adjustment: [https://www.tcmb.gov.tr/wps/wcm/connect/bfdc8094-d67d-4a23-9e06-20332c809d6f/Kur+Etkisinden+Ar%C4%B1nd%C4%B1rma_+Teknik+A%C3%A7%C4%B1klama_+Final+-+BIS+\(Ortalama+kur\).pdf?MOD=AJPERES](https://www.tcmb.gov.tr/wps/wcm/connect/bfdc8094-d67d-4a23-9e06-20332c809d6f/Kur+Etkisinden+Ar%C4%B1nd%C4%B1rma_+Teknik+A%C3%A7%C4%B1klama_+Final+-+BIS+(Ortalama+kur).pdf?MOD=AJPERES)

Source: BRSA, CBRT and Garanti BBVA Research

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