

Türkiye: Weekly Banking Tracker

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15 March 2024

- In the week ending by March 15, foreign currency adjusted weekly credit growth fell from 1% to 0.3% due to both commercial and consumer credits in the sector. Total credits' 13-week annualized trend rose slightly from 34.4% to 35% with the impact of strong weekly growth rates of the previous 4 weeks.
- Following the CBRT's tightening decisions introduced in the last 2 weeks on consumer credits & TL commercial credits (monthly growth caps), TL commercial credits' weekly growth decelerated due to both public and private banks' SME and non-SME lending. Consumer credits' weekly growth (excl. credit cards) turned into contraction led by the strong negative growth in public banks' general purpose loans. The weekly deceleration in consumer credit cards turned to contraction in the sector as well.
- Weekly growth of FC credits slowed down a bit with non-SME lending in both public and private banks.
- In the case of deposits, TL deposits rose by TL 97.5mn thanks to the rise in TL demand deposits of official inst. and hholds. Residents' FC deposits rose by \$1.7bn due to increase in both hholds' USD (\$503mn) and gold deposits (\$862mn). Adjusted from price effects, FC deposits rose by \$1.4mn according to our calculations. Year to date, FC deposits increased by \$5.6bn if price effects are adjusted.
- The FC protected scheme (in US dollar terms) continued to fall and declined to USD 71.6bn. The share of TL deposits excluding FC protected scheme in total deposits remained at 42% (vs. the CBRT's target of 50% in 2024). Last week, the CBRT introduced a monthly increase target for the corporates' TL deposit ratio in banks. Furthermore, the monthly increase targets for the real person TL share were updated; and the commission rate to be applied in case the targets are not met was increased.
- Credit interest rates rose sharply last week, with 425bps in commercial rates (rising to 59.6%) and 1029bps in consumer rates (rising to 72%). Increase in consumer rates was mainly due to increase in general purpose loan rate with 1264bps moving up to 76% (historically highest level since Jan'2002 where it was 78%).
- Yesterday (March 21, 2024) the Central Bank (CBRT) hiked the policy rate by 500bps to 50%. They promised to tighten the stance further according to the inflation outlook and support the monetary transmission mechanism in case of unanticipated developments in credit growth and deposit rates. The CBRT also widened the interest rate corridor and set the overnight borrowing and lending rates 300 bps below and above the policy rate, respectively.
- As released by the CBRT, TL deposit rates rose by 143bps to 49.6%. Among the brackets, the strongest increase was in longer than 1yr bracket with almost 500bps rising to 44.8%. This one is followed by 200bps rise in up to 3months bracket rising to 55.7% which also remains to be the highest rate among the brackets.
- On FC deposit rates, EUR rates rose to 1%; and USD deposit rates remained at 2%. The highest FC deposit rates stand at up to 3 months maturity bracket in EUR with 1.2%; and in up to 1yr&3months in USD with 2%.
- The Non-Performing Loans (NPL) ratio of the sector is at 1.5% (1.16% in public; 2% in private).

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

Figure 1. Total Loans (FX adjusted)

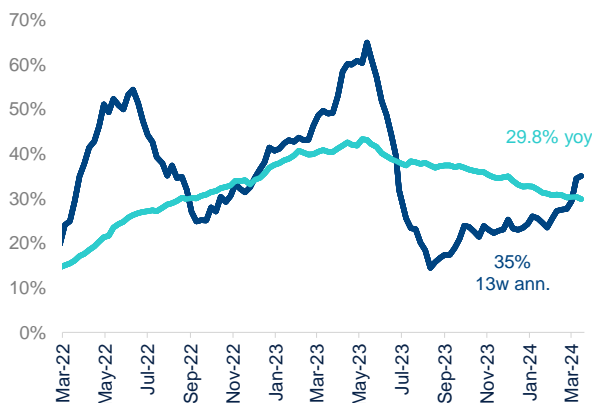


Figure 2. Total Loans (FX adjusted)

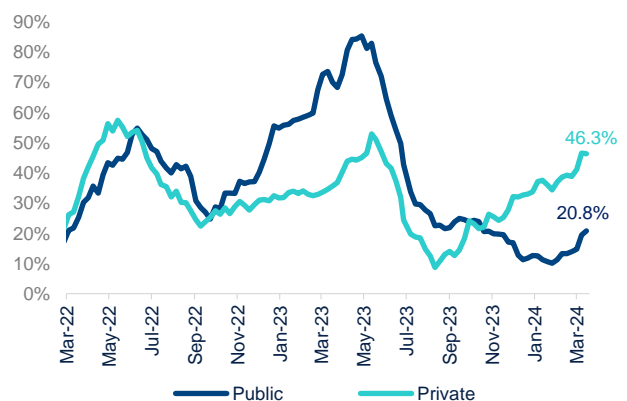


Figure 3. **Consumer Loans in Segments (4-week average)**

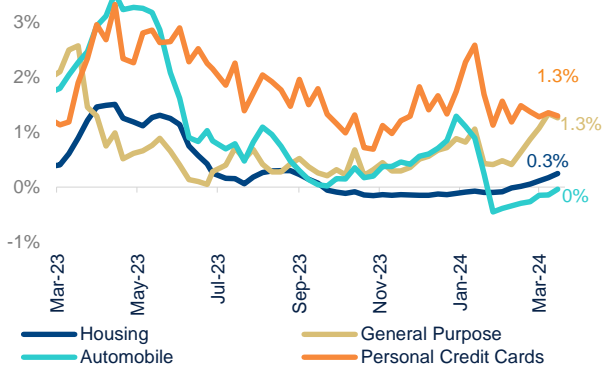


Figure 4. **Consumer Loans (w/o personal credit cards, 4-week average)**

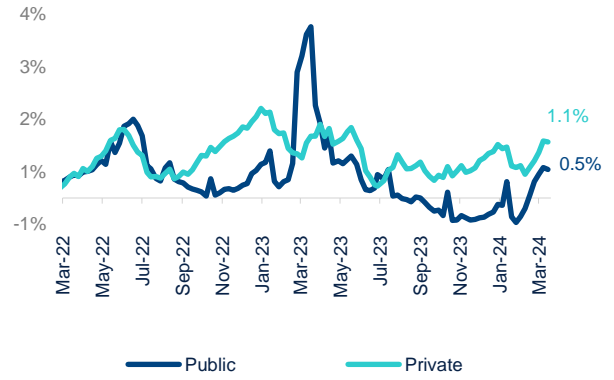


Figure 5. **Commercial Loans (TL & USD)**

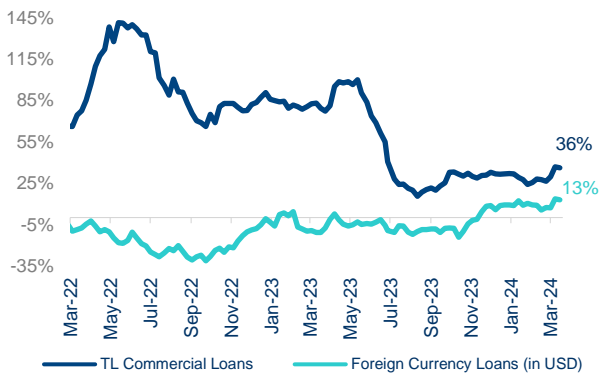


Figure 6. **TL Commercial Loans**

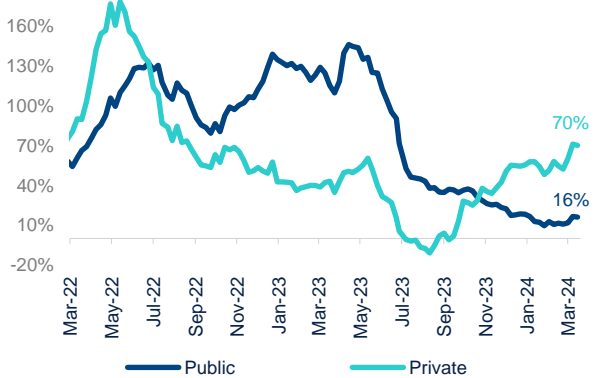


Figure 7. **TL SME Credit**

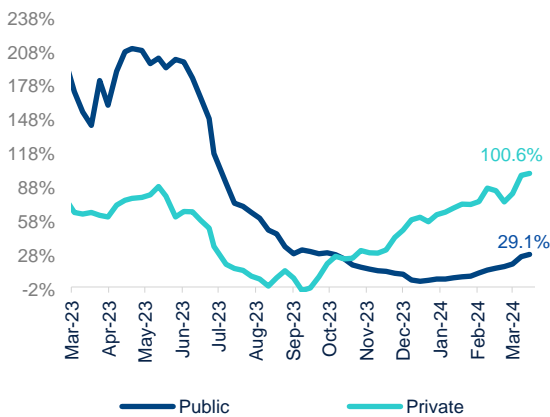


Figure 8. **TL Non-SME Commercial Credit**

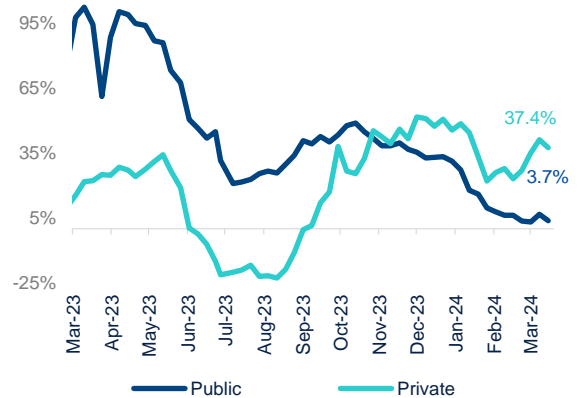


Figure 9. **FC SME Credits (in USD)**

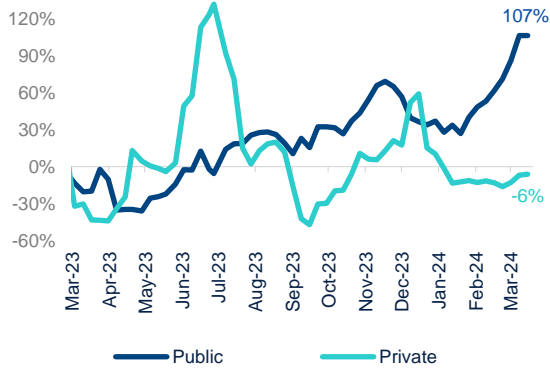


Figure 10. **FC Non-SME Credits (in USD)**

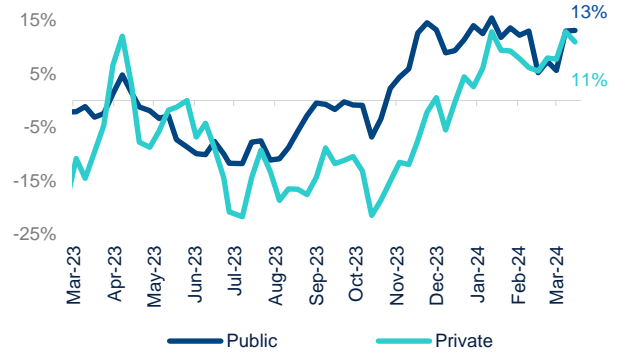


Figure 11. **Deposit Growth (TL & FC in USD)**

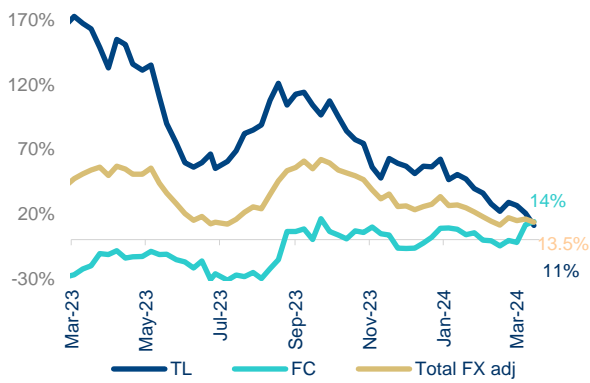


Figure 12. **FC Protected Time Deposits (bn USD)**

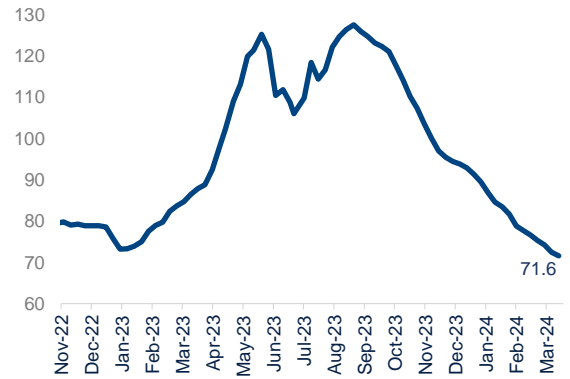


Figure 13. **Share of TL Deposits (% , excluding FC Protected Deposits)**

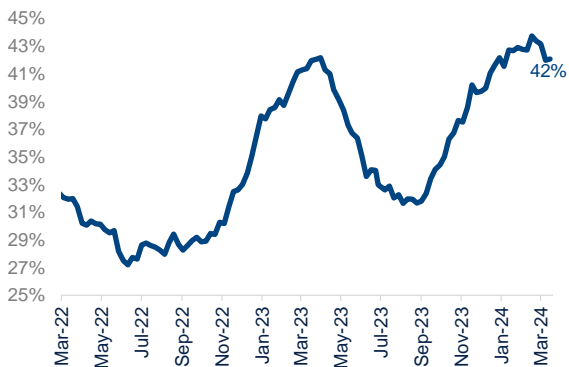


Figure 14. **Net FC Position of the Deposit Banks (% , ratio to Equity)**

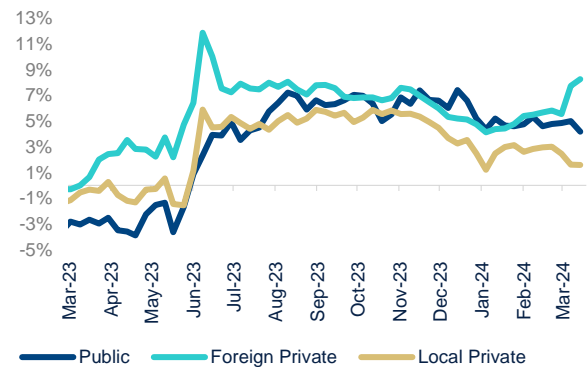


Figure 15. TL Interest Rates (%)

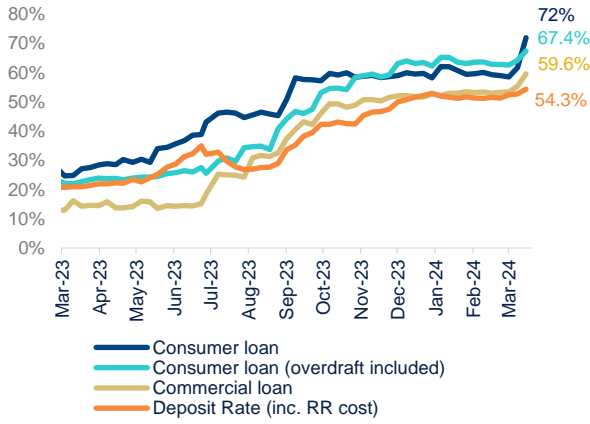


Figure 16. TL Deposit Interest Rates (%)

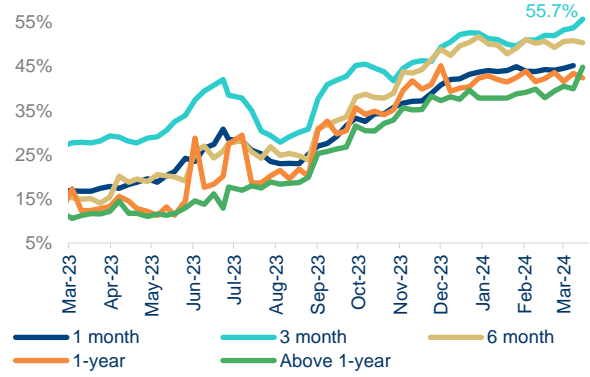


Figure 17. EURO Deposit Interest Rates (4w avg %)

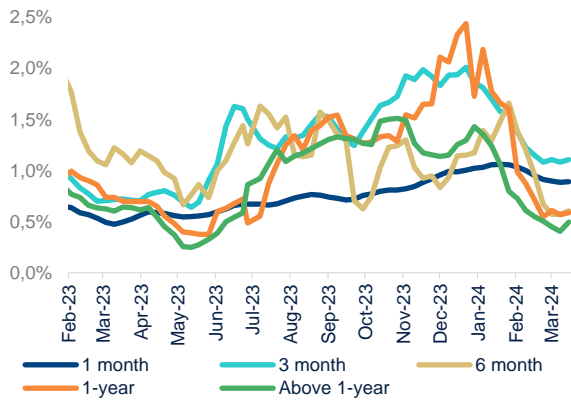


Figure 18. USD Deposit Interest Rates (4w avg %)

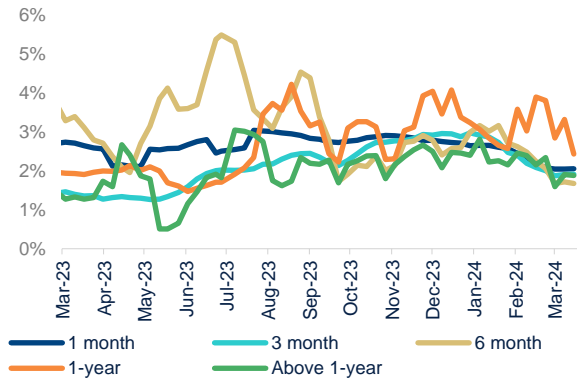


Figure 19. Consumer Interest Rates (%)

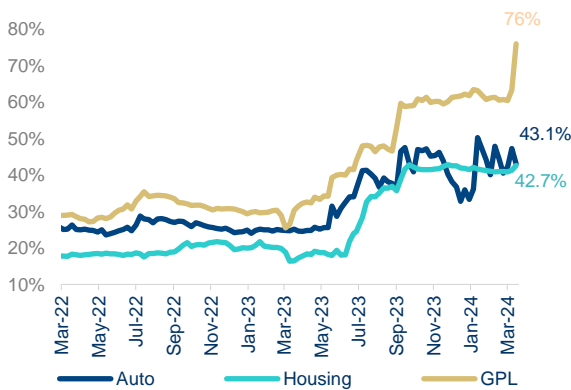
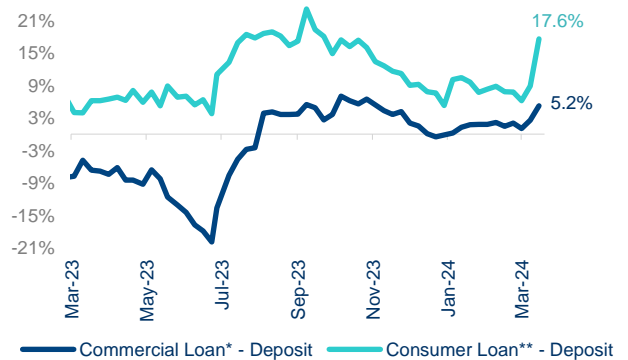


Figure 20. Interest Rate Spread (% , including TL RR cost)



* 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:

Source: BRSA, CBRT and Garanti BBVA Research

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