

Türkiye: Weekly Banking Tracker

Deniz Ergun
29 March 2024

- In the week ending by March 29th, foreign currency adjusted weekly credit growth continued to accelerate from 0.7% to 1% due to commercial credits of public banks and consumer credit cards in the sector. Total credits' 13-week annualized trend rose from 34.8% to 35.4%.
- TL commercial credits' weekly growth accelerated in public banks with SME lending. Consumer credits' weekly growth (excluding credit cards) decelerated in both public and private banks, led by the decline in general purpose loans of the sector. Consumer credit cards on the other hand accelerated strongly in both public and private banks.
- Weekly growth of FC credits was strong led by the non-SME lending of public banks. The accelerating growth rate seen in FC credits since Oct'23 pushed its trend rate to the highest level since 2013.
- In the case of deposits, TL deposits fell by TL 41.4bn, mainly caused by the fall in TL time deposits of households and corporates. After 3 weeks of strong upward movements, residents' FC deposits fell by \$2.2bn led by the decline in corporates USD deposits by \$3bn compared to the increase in households' USD deposits by almost \$1bn. Adjusted from price effects, FC deposits fell by \$2.7bn on a weekly basis and by \$6.9bn year to date according to the CBRT.
- The FC protected scheme (in US dollar terms) fell by almost \$1bn to USD 70.8bn. The share of TL deposits excluding FC protected scheme in total deposits declined to 41.5% (vs. the CBRT's target of 50% in 2024).
- Credit interest rates continued to rise sharply for the 3rd week in a row (following the latest update in credit growth caps and the CBRT's rate hike by 500 bps on March 21st). Commercial credit rates rose by another 427bps to 67.6% (a total of 1226 bps in 3 weeks). Consumer rates rose also by another 180bps to 78.7% (a total of 1704 bps). Increase in consumer rates was again mainly due to the increase in general purpose loan rate with 406bps moving up to 86.2% (historically the highest level since Jan'02 where it was 78%). Auto loan rates fell by 562 bps to 40.6%, and housing loan rates rose by 50bps to 43.5%.
- As released by the CBRT, TL deposit rates rose by 529bps to 57.3%. Among the brackets, the highest increase was in up to 6-month bracket with 813 bps moving up to 59.7%. Highest TL deposit rate is in up to 3 months bracket with 64.3%.
- On FC deposit rates, EUR rates rose to 1.1%; and USD deposit rates fell to 1.97%. The highest FC deposit rates stand at up to 3-month maturity bracket in EUR with 1.2%; and in up to 1 month in USD with 2%.
- The Non-Performing Loans (NPL) ratio of the sector is at 1.5% (1.18% in public; 1.96% in private).

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

Figure 1. Total Loans (FX adjusted)

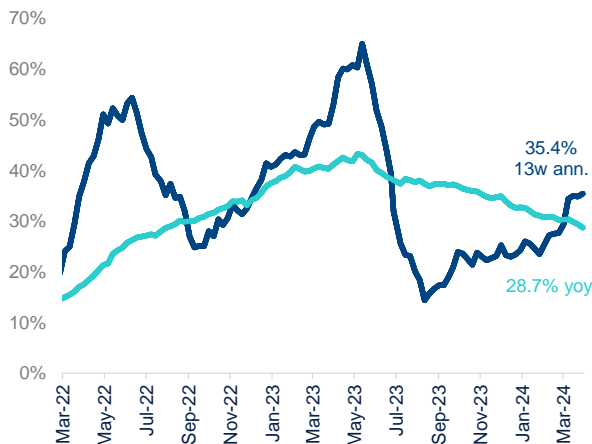


Figure 2. Total Loans (FX adjusted)



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

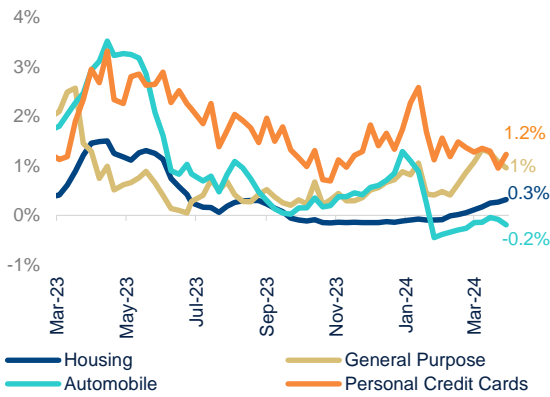


Figure 4. **Consumer Loans (w/o personal credit cards, 4-week average)**

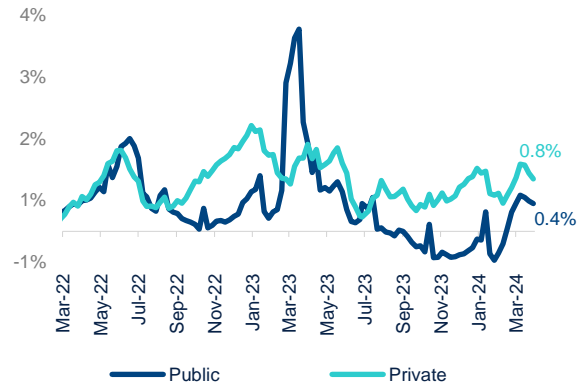


Figure 5. **Commercial Loans (TL & USD)**

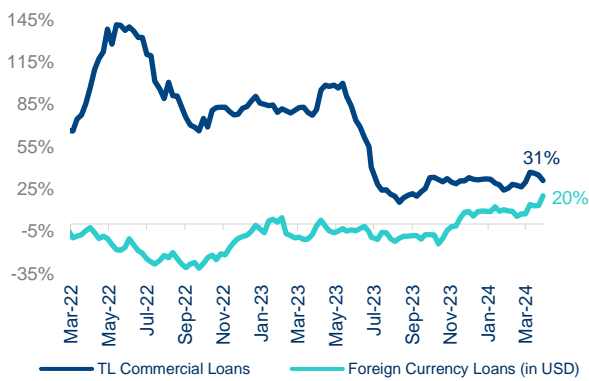


Figure 6. **TL Commercial Loans**

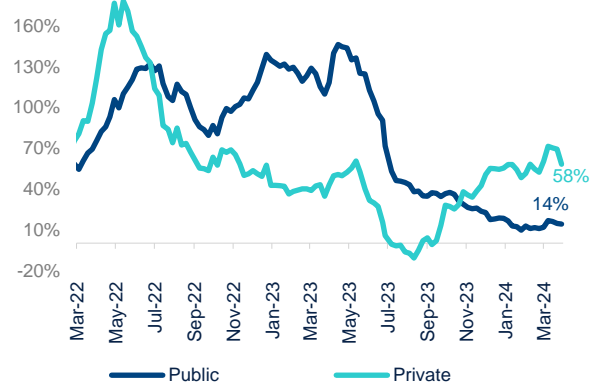


Figure 7. **TL SME Credit**

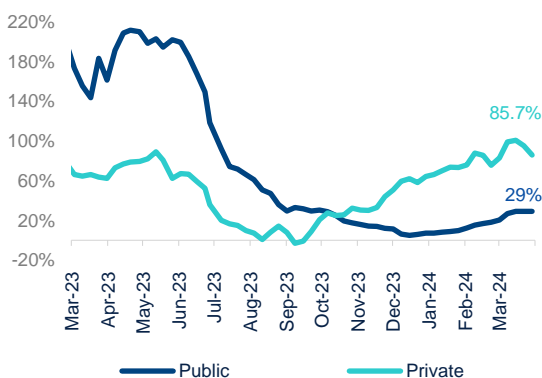


Figure 8. **TL Non-SME Commercial Credit**

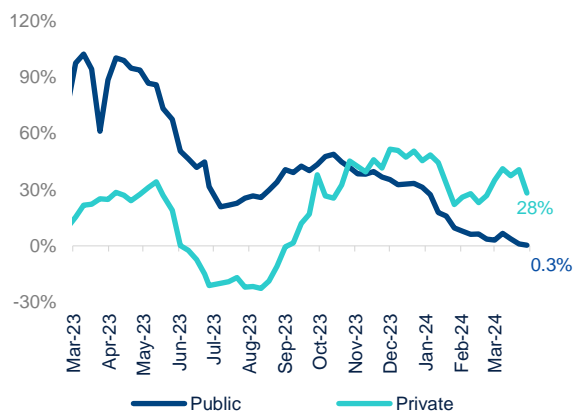


Figure 9. **FC SME Credits (in USD)**

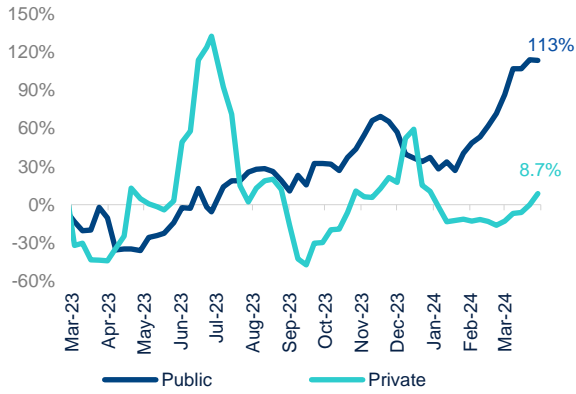


Figure 10. **FC Non-SME Credits (in USD)**

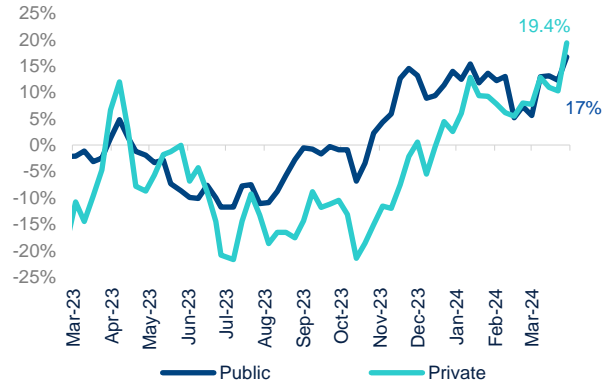


Figure 11. **Deposit Growth (TL & FC in USD)**

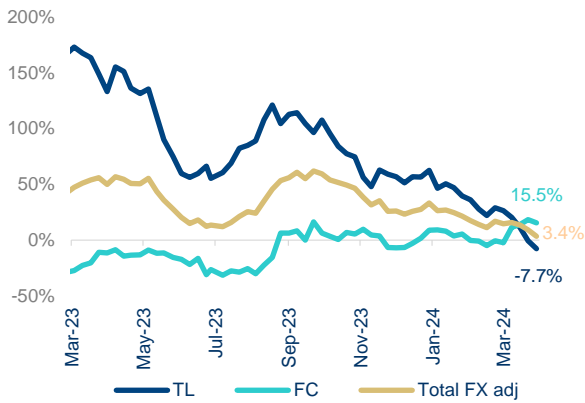


Figure 12. **FC Protected Time Deposits (bn USD)**

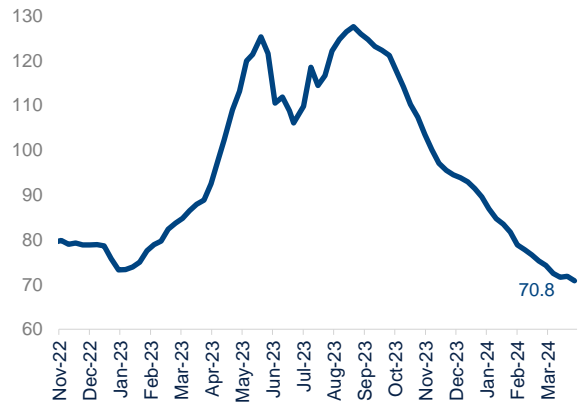


Figure 13. **Share of TL Deposits (% , excluding FC Protected Deposits)**

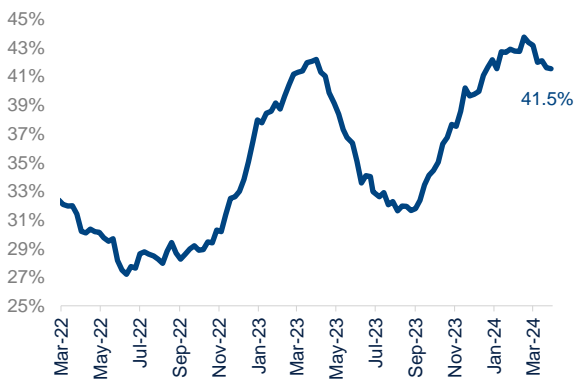


Figure 14. **Net FC Position of the Deposit Banks (% , ratio to Equity)**

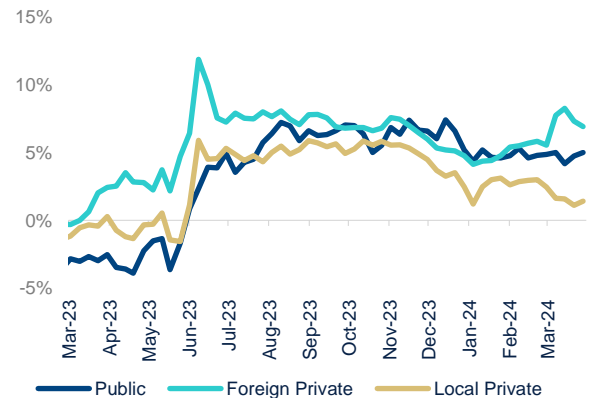


Figure 15. TL Interest Rates (%)

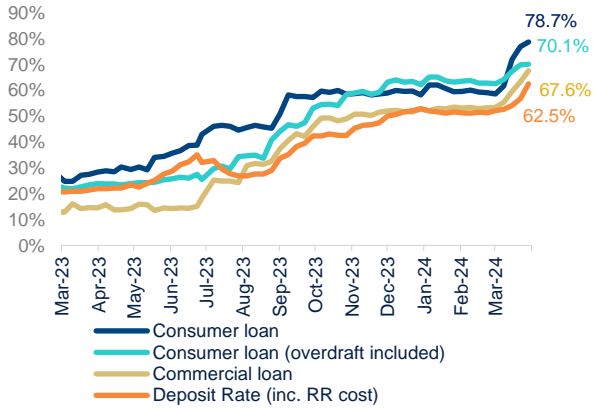


Figure 16. TL Deposit Interest Rates (%)

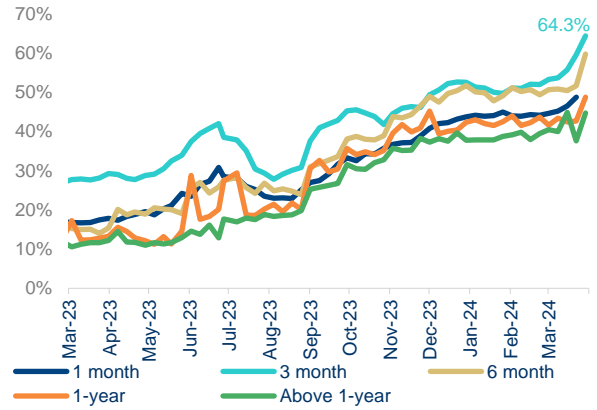


Figure 17. EURO Deposit Interest Rates (4w avg %)

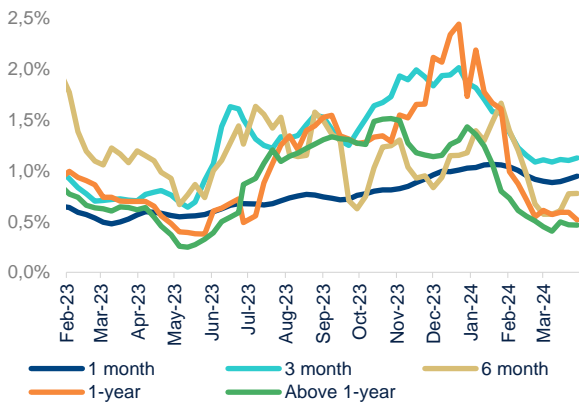


Figure 18. USD Deposit Interest Rates (4w avg %)

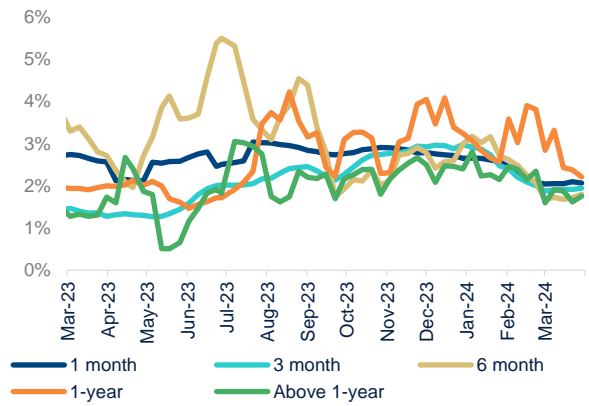


Figure 19. Consumer Interest Rates (%)

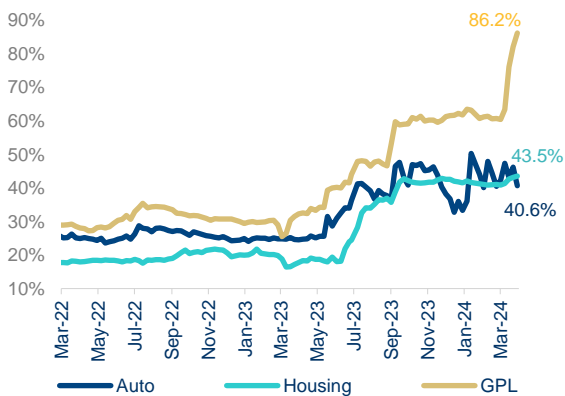
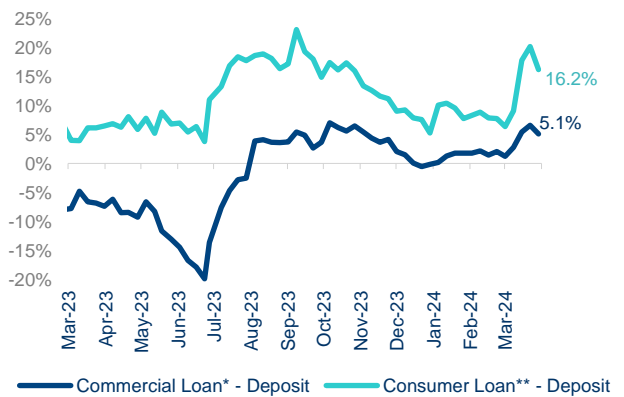


Figure 20. Interest Rate Spread (% , including TL RR cost)



* 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

DISCLAIMER

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Any estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA.