

Türkiye: Weekly Banking Tracker

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24 May 2024

- FC adjusted weekly credit growth decelerated further to 0.1% in the week ending by May 17th. This is due to consumer credits in public banks. Total credits' 4 week average has been accelerating since mid-April (taking also into account the holidays' impact) moving up to the same levels of last year with 0.6%, mainly driven by the acceleration in FC credits.
- Among the sub-segments of TL credits, the weekly negative growth in TL commercial credits turned into positive thanks to non-SME lending in public banks. Consumer credits contracted last week due to all of its sub-segments in public banks, mostly led by general purpose loans.
- FC credits' weekly growth continued to accelerate strongly again, led by private banks' non-SME lending. Thanks to continuous weekly growth seen since 4Q23, its trend rate reached its highest level since 2011. Although the acceleration in FC credits is seen in the whole sector and in both SME and non-SME firms, the main push is coming from public banks' SME lending which grew by 34% since the start of the year. However, with yesterday's (23rd May) CBRT regulation, a monthly growth limit of 2% has been introduced for FC loans which will suppress the growth in this segment going forward.
- In the case of deposits, TL deposits rose by TL 417bn, led by the TL time deposits of households and corporates. Weekly fall in FC deposits decelerated last week after the sharp declines of the previous 3 weeks of around \$9bn. The fall was another \$600mn due to the outflows from households' USD deposits by \$860mn. Adjusted from price effects, FC deposits fell by \$1.2bn on a weekly basis and by \$7.7bn year to date according to the CBRT.
- The fall in FC protected scheme (in US dollar terms) decelerated last week and declined by \$642mn to USD 68.2bn. The downward trend in FC protected scheme will gain momentum following the yesterday's CBRT decision on increasing the reserve requirement ratios for these accounts for certain maturities. The share of TL deposits excluding FC protected scheme in total deposits rose to 47% (vs. the CBRT's target of 50% in 2024).
- Commercial interest rates have been declining since one month and fell by another 164bps to 63.7%. Consumer rates fell by 159bps to 74.2%, led by the decline in general purpose loans by 117bps to 78%.
- Regarding FC interest rates, commercial rates on EUR rose by 12bps to 7.14%; and by 23bps to 8.8% on USD credits. EUR deposits rates, on the other hand, fell by 14bps to 0.98% widening the spread on this segment. USD deposit rates continue to hover around 1.9% except for a 67bps increase in above 1yr bracket (1.4%).
- As released by the CBRT, TL deposit rates continued to fall; and fell strongly by 185bps last week to 58.7% caused by the excess TL liquidity in the market. Among the brackets, the sharpest decline was in up to 3-months bracket with 447bps, resulting in 63.7%, which remains to be the highest rate. However, the CBRT' announcement to increase the TL reserve requirements for TL deposits will most probably cause an increase in the TL deposit rates in the coming weeks.
- The Non-Performing Loans (NPL) ratio of the sector rose to 1.6% (1.2% in public; 2% in private). The rise is coming from general purpose loans (3.1%) and consumer credit cards (1.9%) of both public and private banks. The NPL ratio in commercial credits is stable at 1.4% since March'24.

Figure 1. **Total Loans (FX adjusted, weekly, 4-week moving average)**



Figure 2. **Total Loans (FX adjusted, weekly, 4-week moving average)**

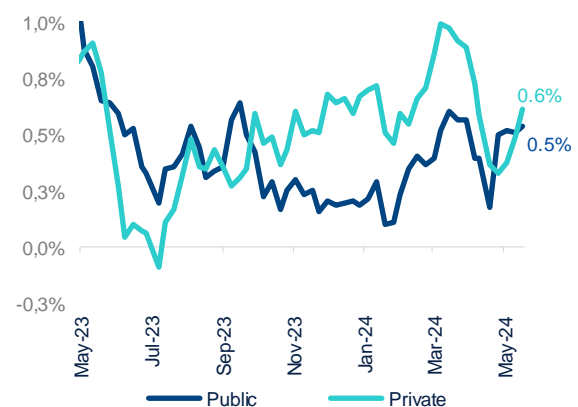


Figure 3. **Consumer Loans in Segments (weekly, 4-week moving average)**

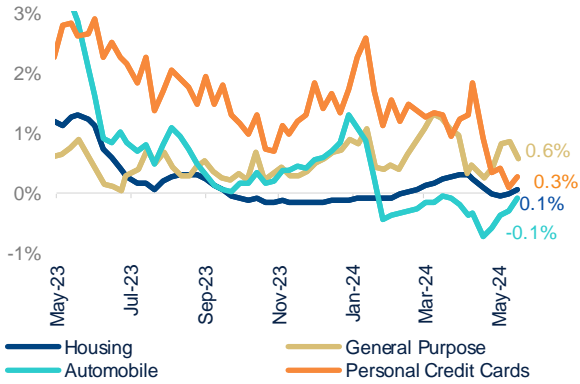


Figure 4. **Consumer Loans (w/o personal credit cards, weekly, 4-week moving average)**

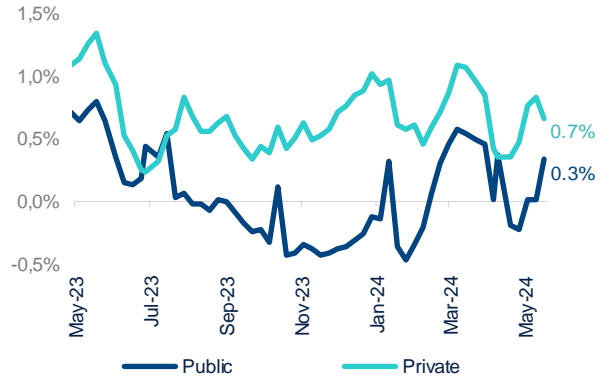


Figure 5. **Commercial Loans (TL & USD, weekly, 4-week moving average)**

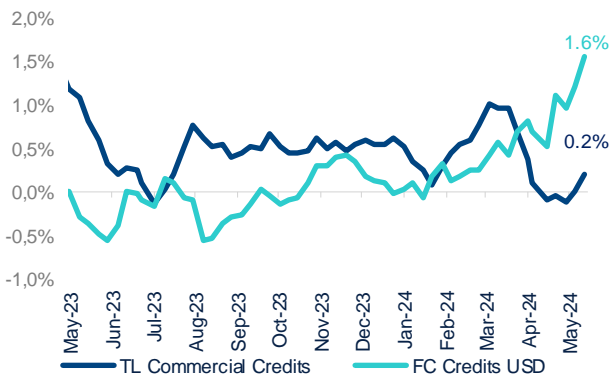


Figure 6. **TL Commercial Loans (weekly, 4-week moving average)**

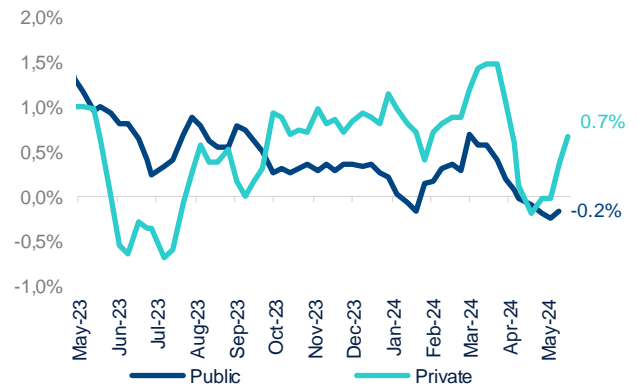


Figure 7. **TL SME Credits (weekly, 4-week moving average)**

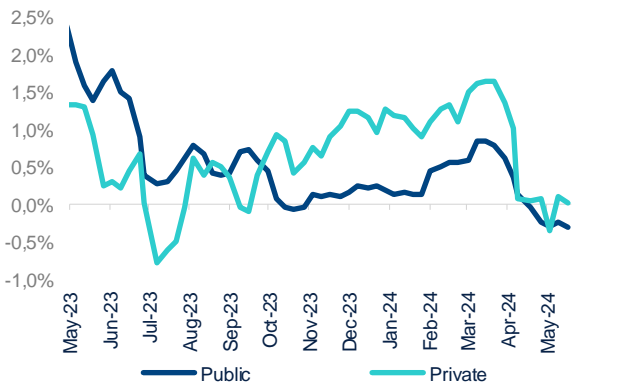


Figure 8. **TL Non-SME Commercial Credits (weekly, 4-week moving average)**

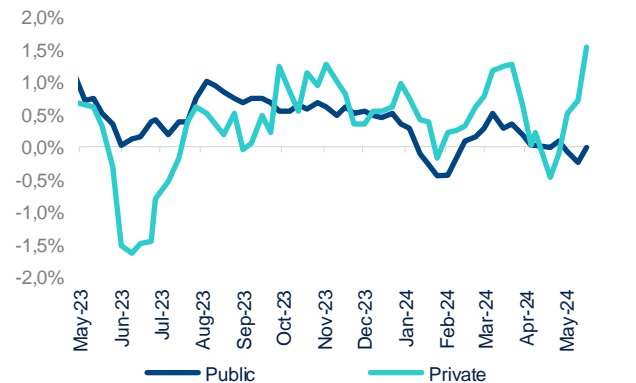


Figure 9. **FC SME Credits** (in USD, weekly, 4-week moving average)

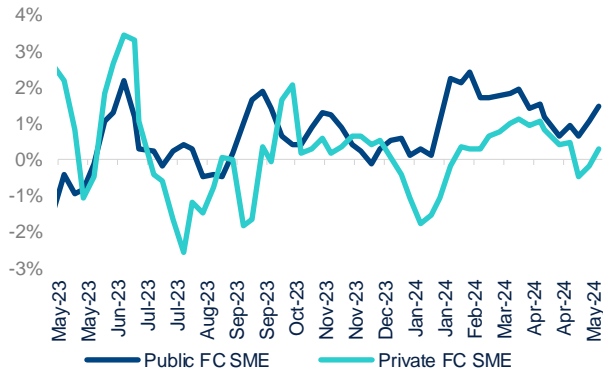


Figure 10. **FC Non-SME Credits** (in USD, weekly, 4-week moving average)

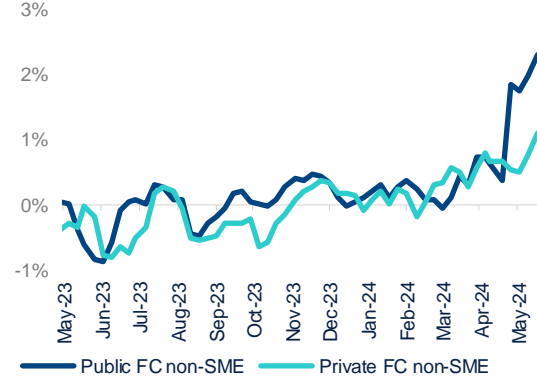


Figure 11. **Deposit Growth** (TL & FC in USD, weekly, 4-week moving average)

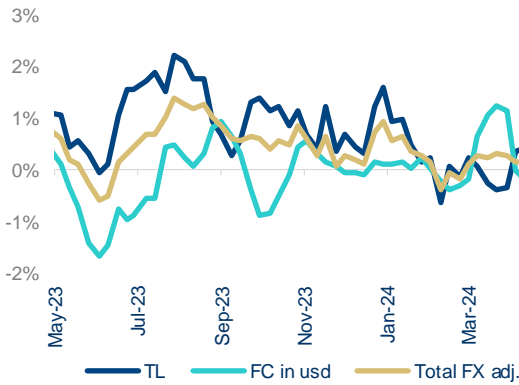


Figure 12. **FC Protected Time Deposits** (bn USD)

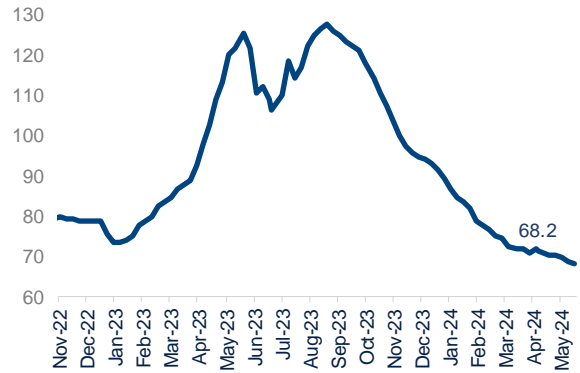


Figure 13. **FC Commercial Credit Interest Rates** (4w avg.%)

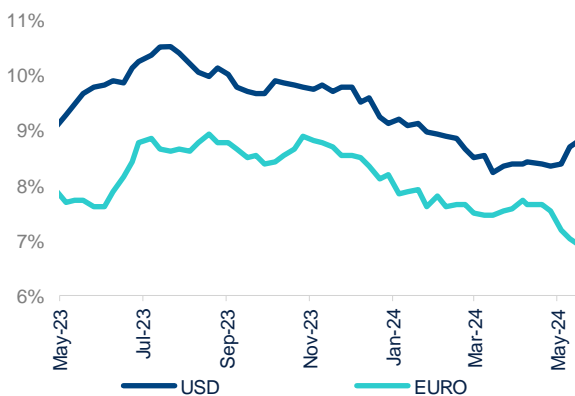


Figure 14. **FC Interest Rate Spread** (4w avg.%)

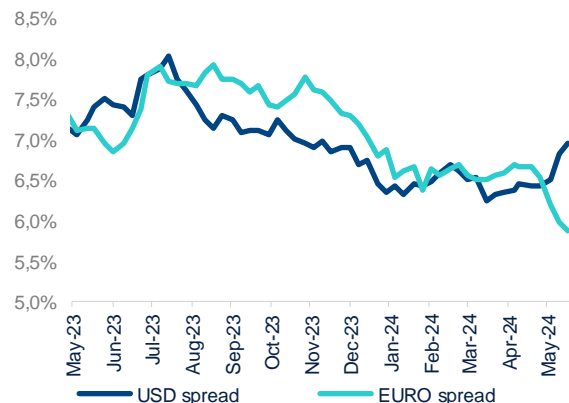


Figure 15. **EURO Deposit Interest Rates (4w avg %)**

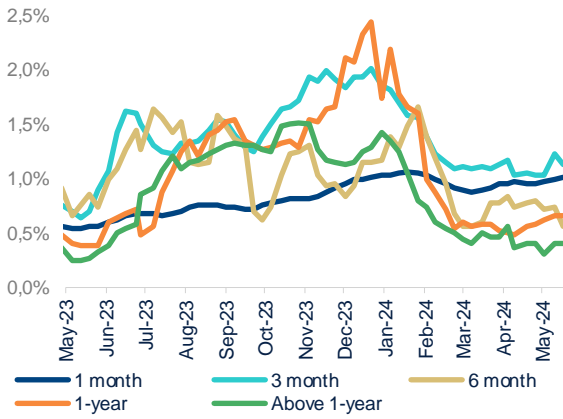


Figure 16. **USD Deposit Interest Rates (4w avg %)**

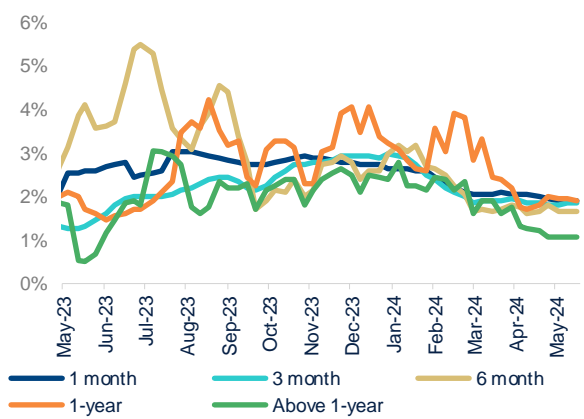


Figure 17. **TL Interest Rates (%)**

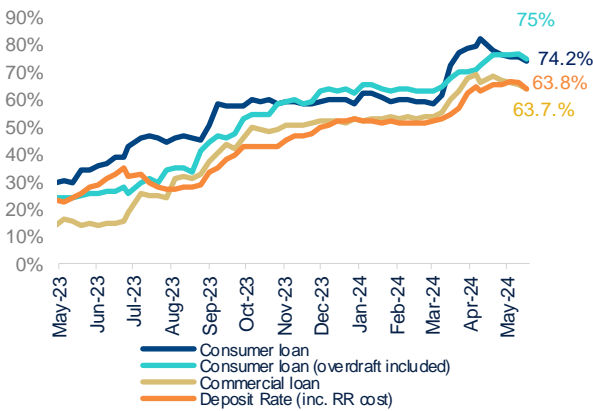


Figure 18. **TL Deposit Interest Rates (%)**

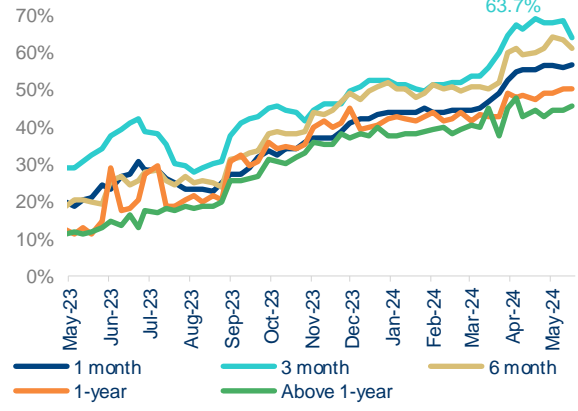


Figure 19. **Consumer Interest Rates (%)**

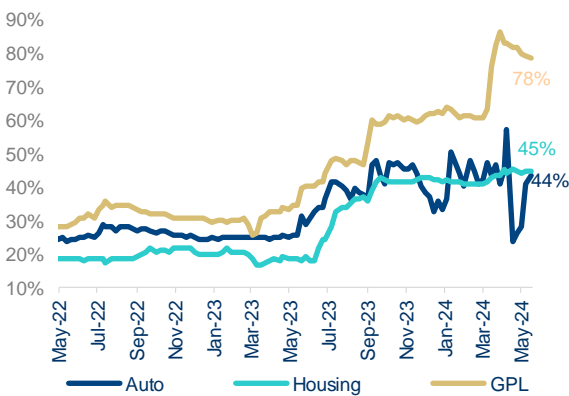
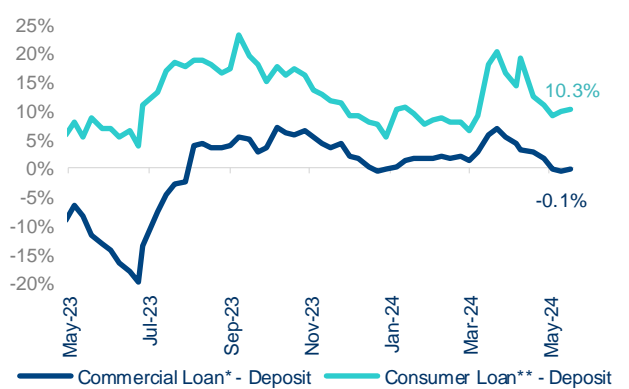


Figure 20. **Interest Rate Spread (% , including TL RR cost)**



* 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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