

Türkiye: Weekly Banking Tracker

Deniz Ergun
26 July 2024

- The weekly growth of FX-adjusted credits turned into a contraction from 0.5% to -0.4% due to both commercial and consumer credits in the sector. Total credits' 4 week average trend rose however to 0.4% due to previous week's strong growth impact.
- Among the sub-segments of TL credits, weekly growth in TL commercial credits was negative due to both SME and non-SME lending in the sector. Consumer credits contracted in all sub-segments in the sector, but mainly led by public banks' general purpose loans. Consumer credit cards' growth was negative as well due to the sharp contraction in public banks.
- FC credits' weekly growth continued to decelerate for the second week in a row due to both SME and non-SME lending in the sector. 4w cumulative growth is 2.2% in the sector (where monthly growth limit has been reduced to 1.5% for FC loans as of July 22nd).
- In the case of deposits, TL deposits rose only by TL 15bn, due to decline the TL demand deposits of official institutions. FC deposits continued to rise by \$1.5bn, led again by the increase in corporates' USD deposits by \$978mnn. Adjusted from price effects, FC deposits rose by \$1.4bn on a weekly basis (\$1bn rise in corporates, \$0.4bn rise in households), resulting in an overall decline of \$15.1bn year to date (\$22bn since end March) according to the CBRT.
- The FC protected scheme (in US dollar terms) fell by another \$2bn to USD 57.5bn. The share of TL deposits excluding FC protected scheme in total deposits rose to 51.5% (vs. the CBRT's target of 50% in 2024).
- Both commercial and consumer rates fell last week, by 33bps to 60.4% and by 156bps to 73.7%, respectively. The decline in consumer loans was led by the fall in general purpose loan rates by 216bps moving down to 75.7%. Spreads on consumer segment narrowed down by 112bps.
- As released by the CBRT, TL deposit rates fell by 40bps to 55.8%. The highest rate remains to be in up to 3 months with 59.3% .
- The Non-Performing Loans (NPL) ratio of the sector rose to 1.7% led by the increase in NPL of public banks (1.4% in public; 2.1% in private).

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

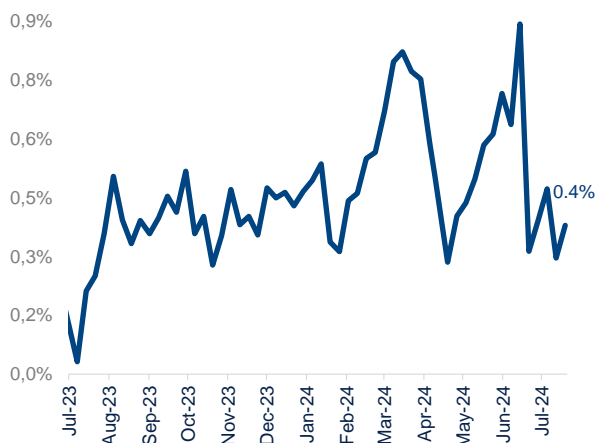


Figure 2. **Total Loans (FX adjusted, weekly, 4-week moving average)**

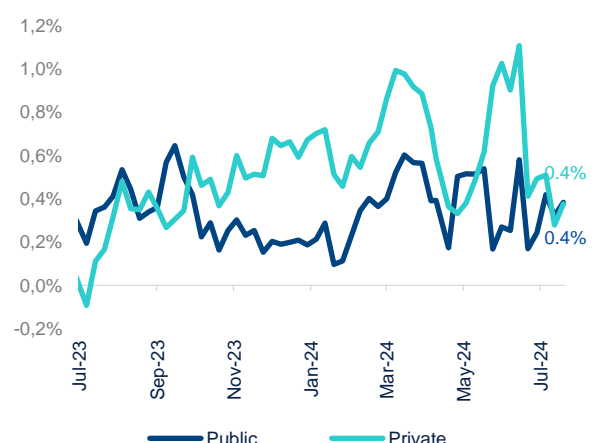


Figure 3. **Consumer Loans in Segments (weekly, 4-week moving average)**

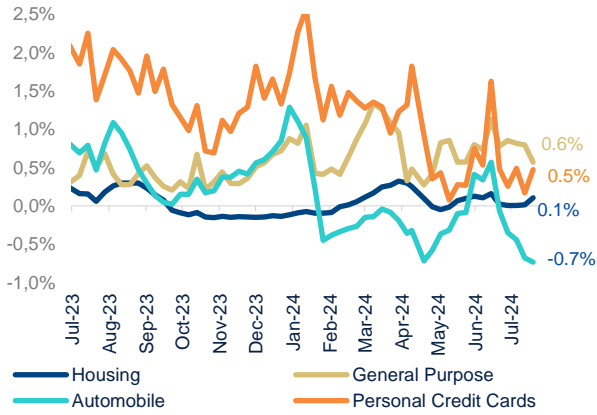


Figure 4. **Consumer Loans (w/o personal credit cards, weekly, 4-week moving average)**

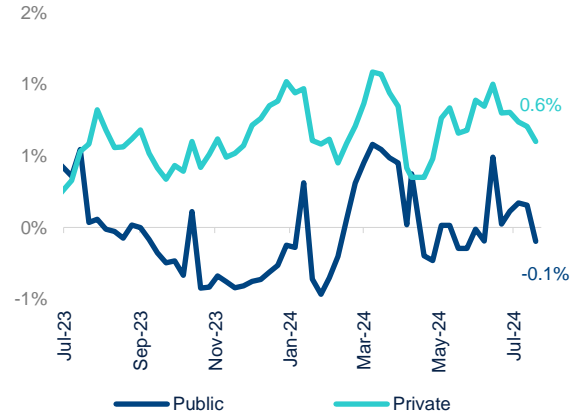


Figure 5. **Commercial Loans (TL & USD, weekly, 4-week moving average)**

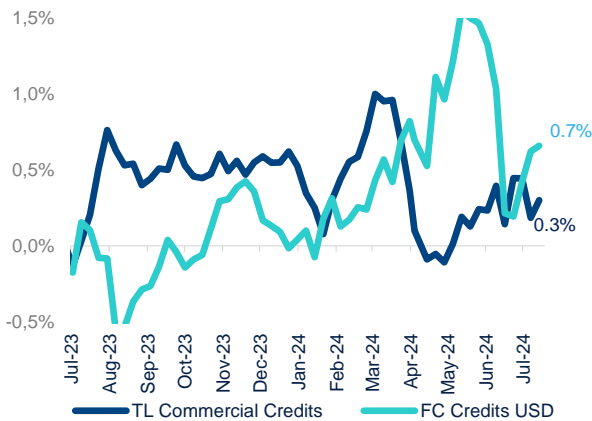


Figure 6. **TL Commercial Loans (weekly, 4-week moving average)**

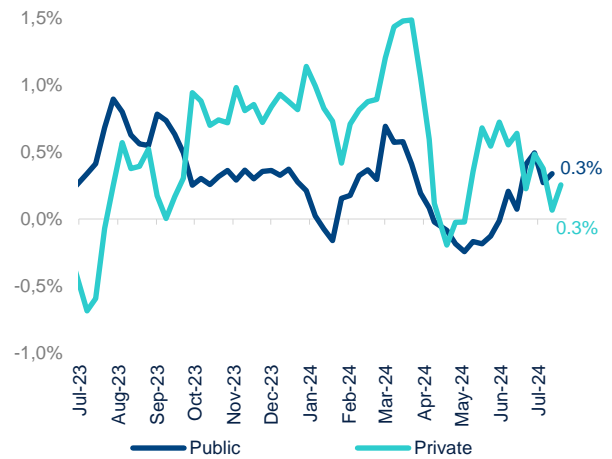


Figure 7. **TL SME Credits (weekly, 4-week moving average)**

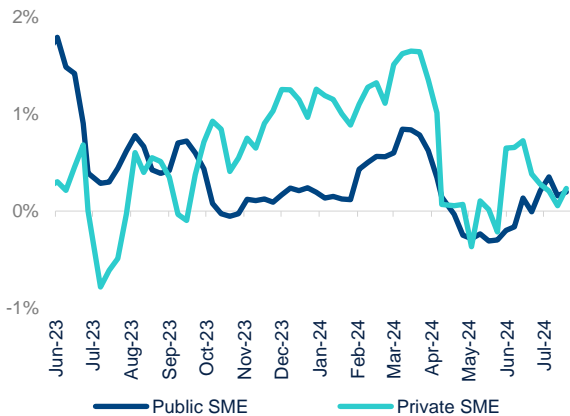


Figure 8. **TL Non-SME Commercial Credits (weekly, 4-week moving average)**

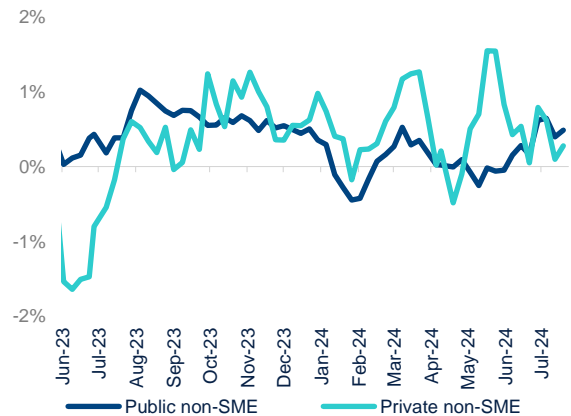


Figure 9. **FC SME Credits** (in USD, weekly, 4-week moving average)

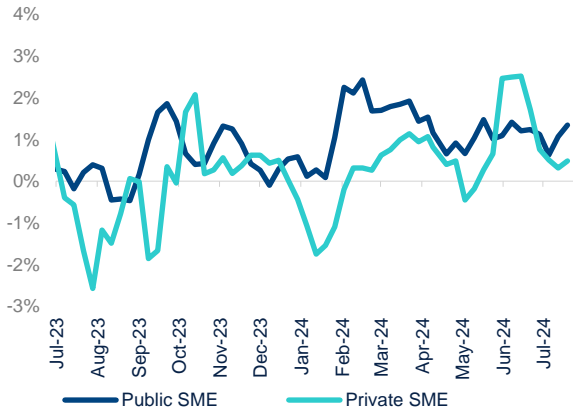


Figure 10. **FC Non-SME Credits** (in USD, weekly, 4-week moving average)

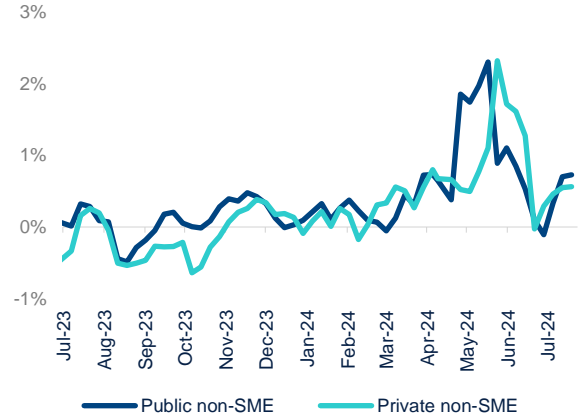


Figure 11. **Deposit Growth** (TL & FC in USD, weekly, 4-week moving average)

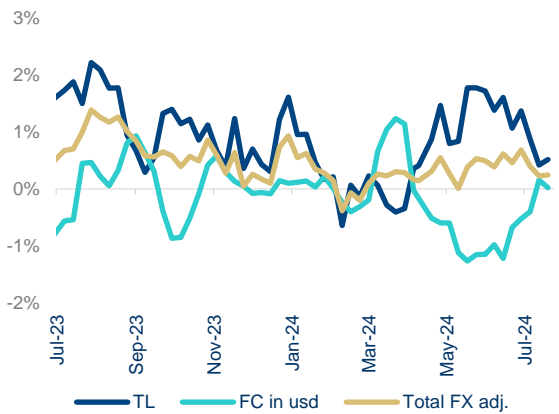


Figure 12. **FC Protected Time Deposits** (bn USD)

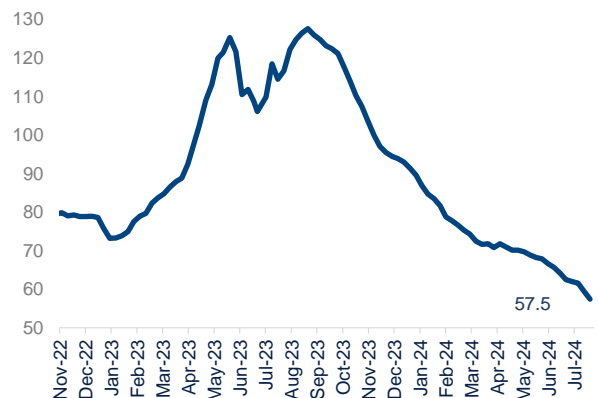


Figure 13. **FC Commercial Credit Interest Rates** (4w avg.%)

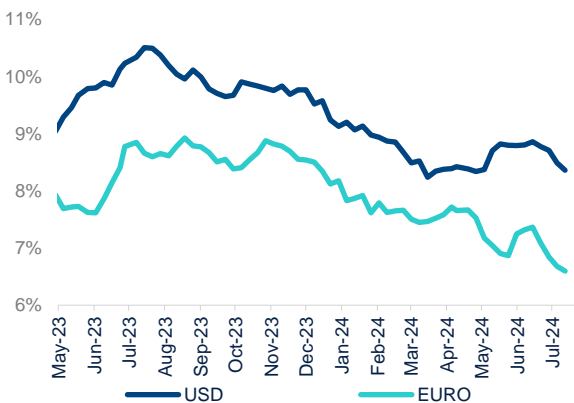


Figure 14. **FC Interest Rate Spread** (4w avg.%)

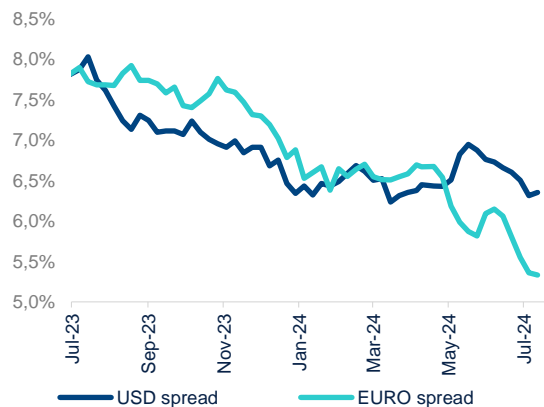


Figure 15. **EURO Deposit Interest Rates (4w avg %)**

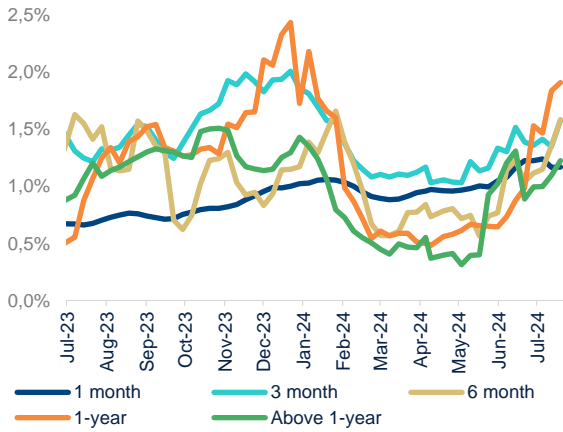


Figure 16. **USD Deposit Interest Rates (4w avg %)**

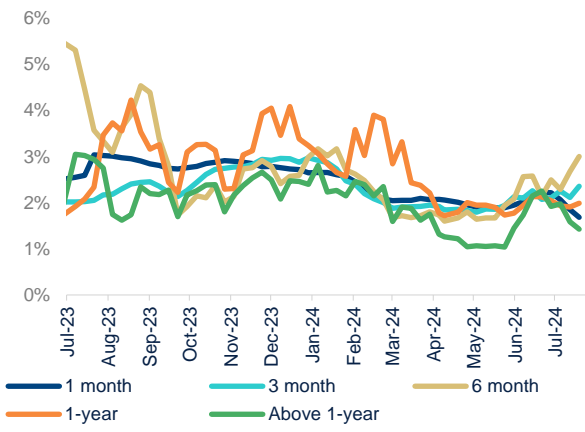


Figure 17. **TL Interest Rates (%)**

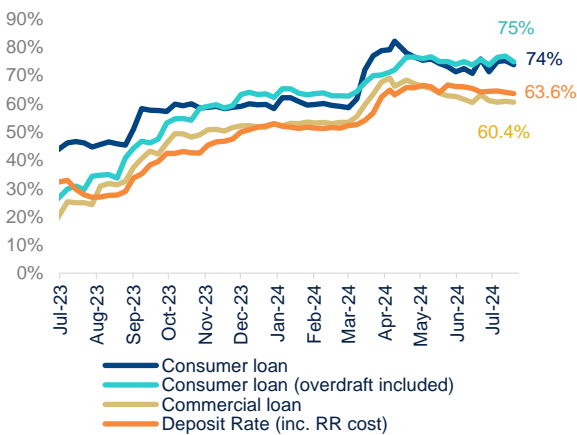


Figure 18. **TL Deposit Interest Rates (%)**

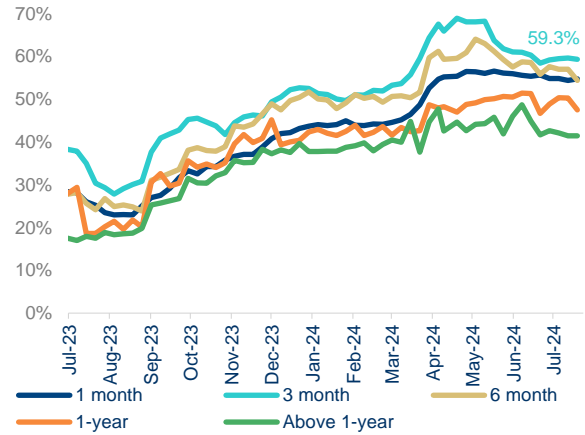


Figure 19. **Consumer Interest Rates (%)**

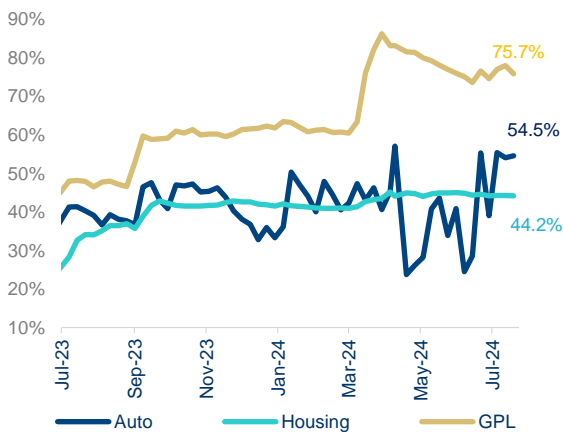
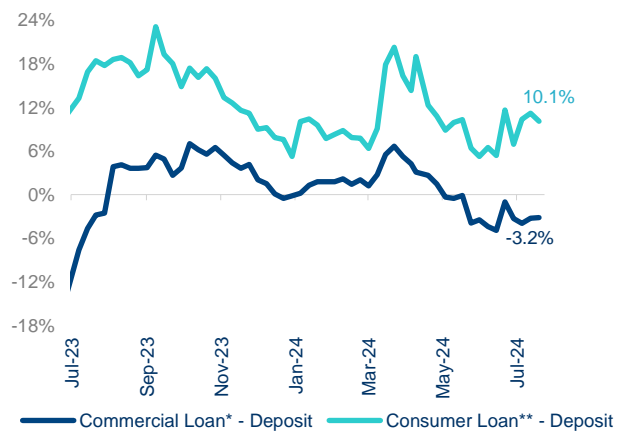


Figure 20. **Interest Rate Spread (% , including TL RR cost)**



* 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

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.