

Türkiye: Weekly Banking Tracker

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- The weekly growth of FX-adjusted credits decelerated in the third week of September from 0.6% to 0.3% due to strong contraction in consumer credits in the overall sector. Total credits' 4 week average fell to 0.4%.
- Among the sub-segments of TL credits, TL commercial credits' weekly growth continued to increase with public banks' both SME and non-SME lending. After the strong growth of the previous week, a weekly contraction was seen in consumer credits due to both public and private banks, but mainly led by public banks' general purpose loans. Weekly growth in consumer credit cards was realized as negative as well, also led by public banks. As a result, the 4-week average trend in consumer credits implies a deceleration in consumer credits which we expect to continue due to the monetary tightening and the recent CBRT decision on differentiating the maximum interest rates applied to credit cards based on their limits as means of tightening consumption.
- FC credits' weekly growth accelerated strongly thanks to both SME and non-SME lending in the sector.
- In the case of deposits, rise in TL deposits was limited with TL 20.3bn due to the fall in TL demand deposits of official institutions compared to the rise in TL time deposits of corporates at the same amount. FC deposits rose by \$2bn led by the rise in corporates' USD deposits by \$1.4bn. Adjusted from price effects, FC deposits rose by \$1.2bn on a weekly basis (\$1.3bn increase in corporates, \$0.05bn decline in hholds), resulting in an overall decline of \$12.2bn year to date (\$19.1bn since end March) according to the CBRT.
- The fall in FC protected scheme (in US dollar terms) was high last week with \$1.12bn declining to USD 45.4bn. The share of TL deposits excluding FC protected scheme in total deposits fell to 53.4% from 53.5% previously (vs. the CBRT's target of 50% in 2024).
- Commercial rates continued to decline by another 162bps to 55%. Consumer credit rates fell also by 146bps to 68.2% caused by the sharp fall in GPL rates by 218bps coming down to 71.5%. Hence the spreads on both segments narrowed down.
- As released by the CBRT, TL deposit rates continued its upward trend slightly and rose by 11bps to 56.3%. The highest rate remains to be in up to 3 months with 59.8%.
- The Non-Performing Loans (NPL) ratio of the sector hovers around 1.73%. The ratio remained stable in private banks whereas it continued its upward trend in public banks (1.49% public banks, 2.16% private banks). Today's BRSA decision on the availability of restructuring consumer credit card debts up to 5 years will decelerate the NPL inflows in this segment. Moreover, last week's decision on revising the risk weights for consumer loans will have a positive impact on banks' capital adequacy ratios by around 100bps. Overall, these steps together with the revised RR ratios for both TL and FX deposits and the revised commission rates will contribute positively to banks' profitability in the coming months.

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

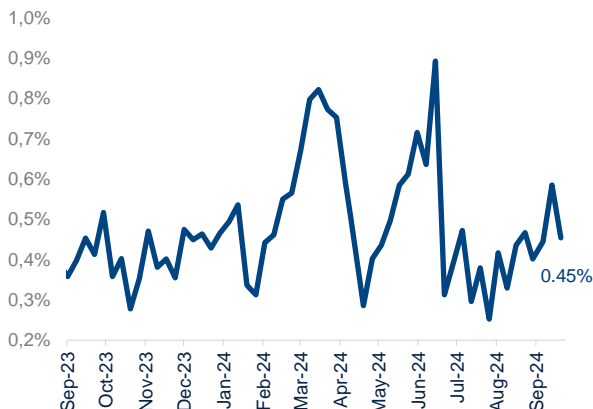


Figure 2. **Total Loans (FX adjusted, weekly, 4-week moving average)**

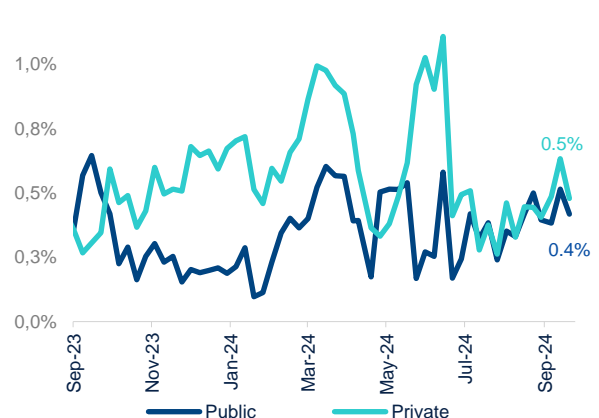


Figure 3. **Consumer Loans in Segments** (weekly, 4-week moving average)

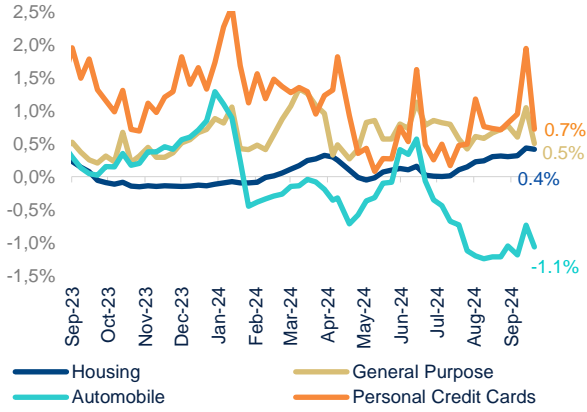


Figure 4. **Consumer Loans (w/o personal credit cards, weekly, 4-week moving average)**

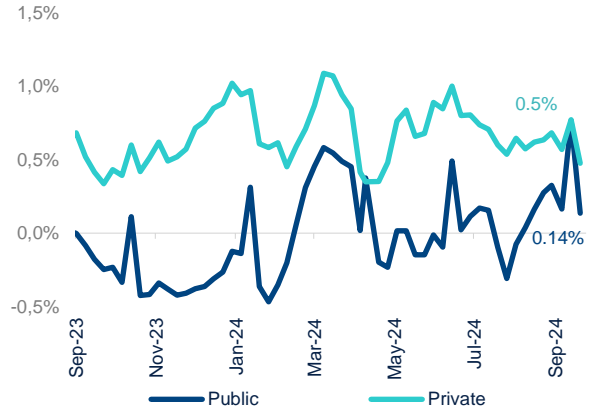


Figure 5. **Commercial Loans (TL & USD, weekly, 4-week moving average)**

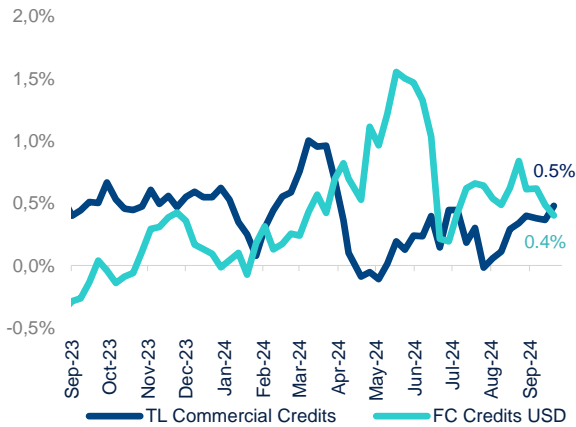


Figure 6. **TL Commercial Loans** (weekly, 4-week moving average)

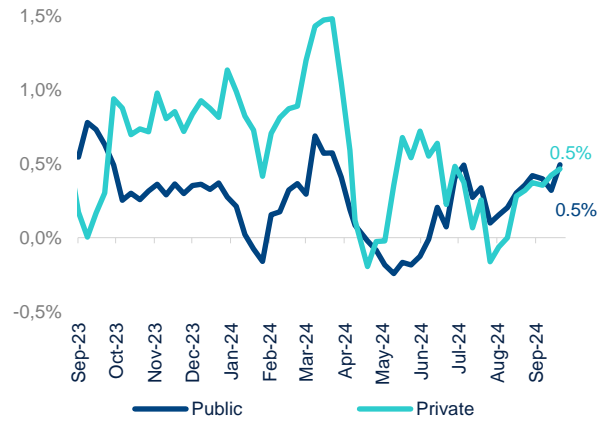


Figure 7. **TL SME Credits** (weekly, 4-week moving average)

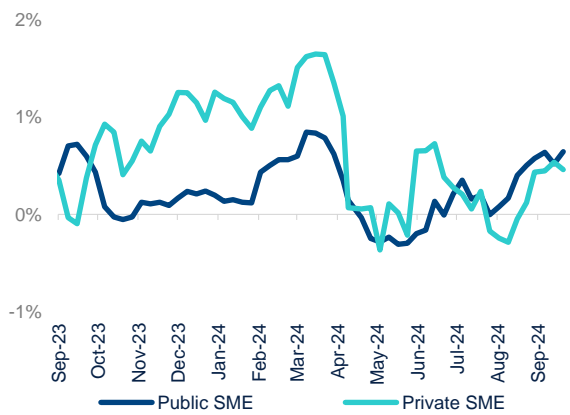


Figure 8. **TL Non-SME Commercial Credits** (weekly, 4-week moving average)

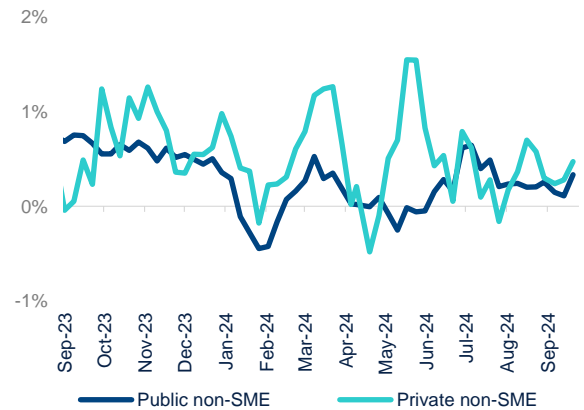


Figure 9. **FC SME Credits** (in USD, weekly, 4-week moving average)

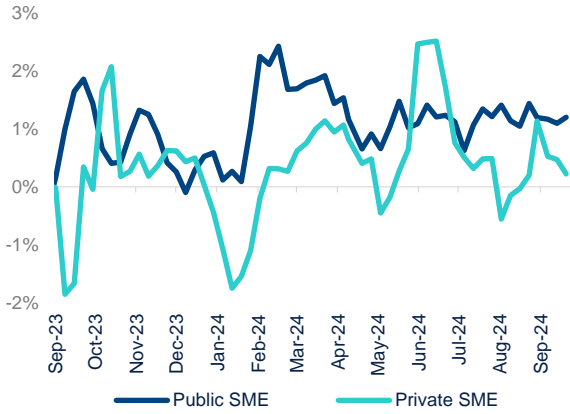


Figure 10. **FC Non-SME Credits** (in USD, weekly, 4-week moving average)

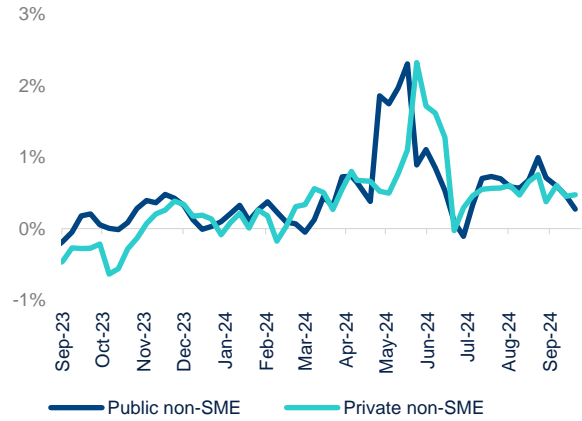


Figure 11. **Deposit Growth** (TL & FC in USD, weekly, 4-week moving average)

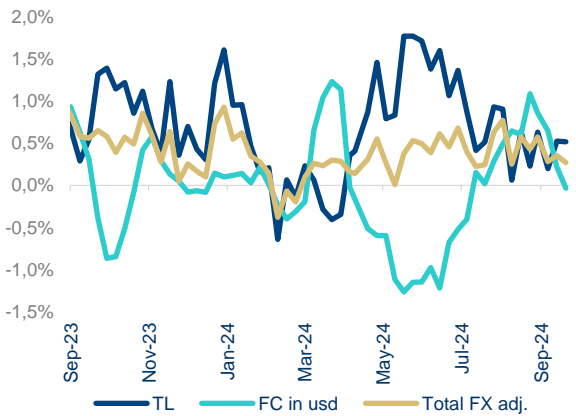


Figure 12. **FC Protected Time Deposits** (bn USD)

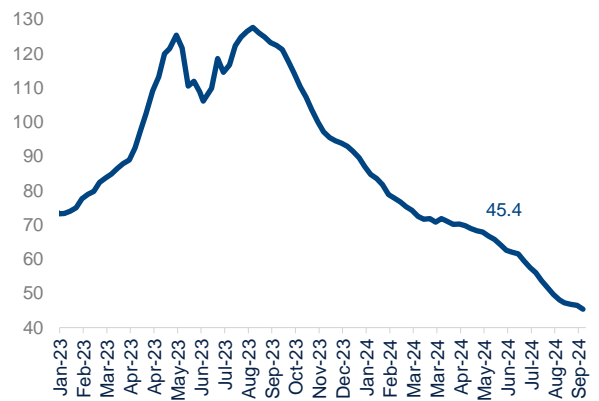


Figure 13. **FC Commercial Credit Interest Rates** (4w avg.%)

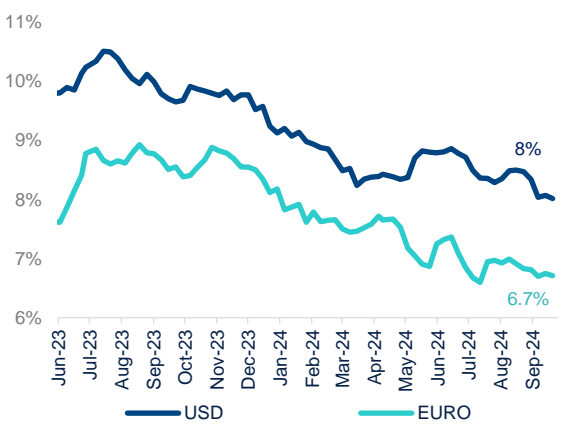


Figure 14. **FC Interest Rate Spread** (4w avg.%)

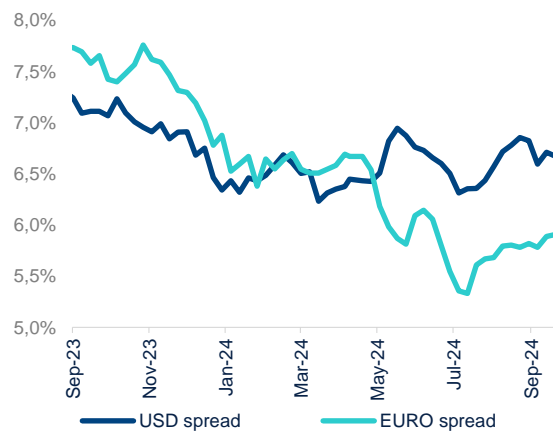


Figure 15. **EURO Deposit Interest Rates (4w avg %)**

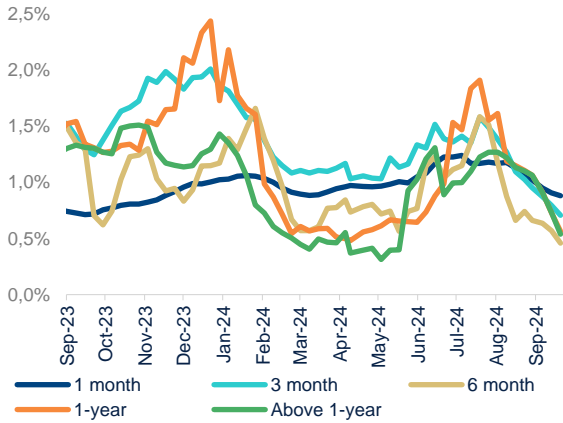


Figure 16. **USD Deposit Interest Rates (4w avg %)**

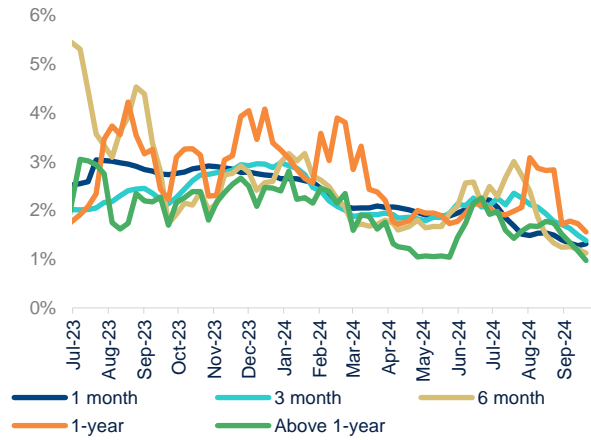


Figure 17. **TL Interest Rates (%)**

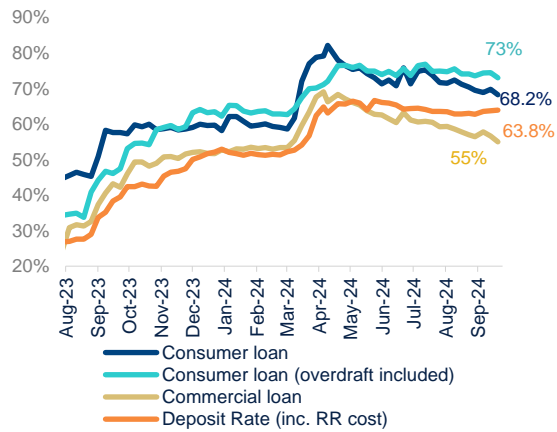


Figure 18. **TL Deposit Interest Rates (%)**

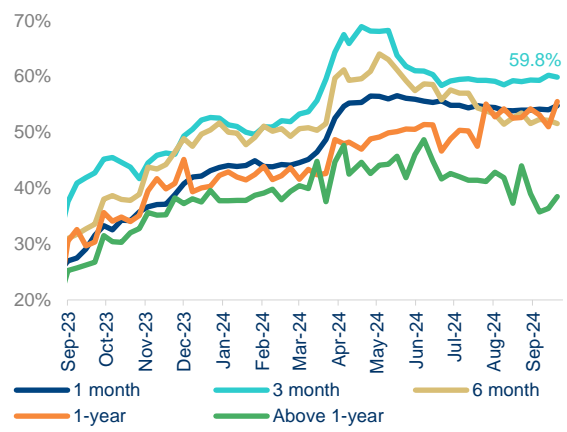


Figure 19. **Consumer Interest Rates (%)**

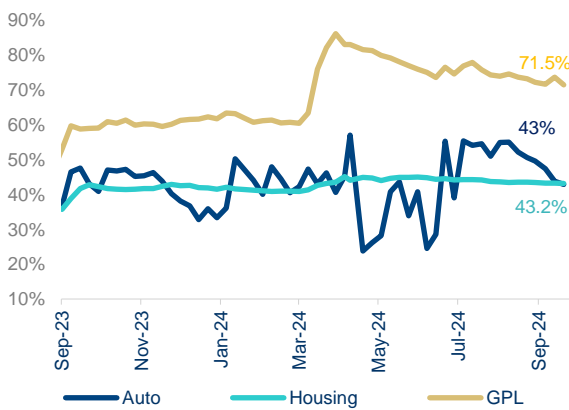
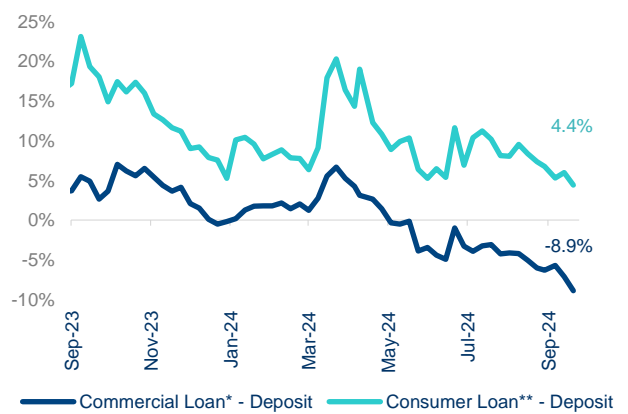


Figure 20. **Interest Rate Spread (% , including TL RR cost)**



* 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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