

Türkiye: Weekly Banking Tracker

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- The weekly growth of FX-adjusted credits accelerated in the last week of September from 0.3% to almost 1% due to a strong increase in consumer credits in the overall sector. Total credits' 4 week average rose slightly to 0.5%. The 13w trend of credit growth as of end of 3Q24 implies some deceleration with 25% compared to 30% in 2Q24 (35% 1Q24). However, it is still slightly higher than the previous years' averages.
- Among the sub-segments of TL credits, TL commercial credits' weekly growth continued to increase the third week in a row with private banks' both SME and non-SME lending. Its 13w trend shows strong acceleration in the 3Q compared to 2Q with SME lending being the driver, however being at much lower levels compared to previous years.
- Regarding consumer credits, after the previous week's contraction, weekly growth was strong in both public and private banks led by general purpose loans. Weekly growth in consumer credit cards was strong with 3% in the sector as well. Since the end of 1Q24, consumer credits' 13w trend has been showing only a slight deceleration with the rate seeming sticky at around 27%. Credit cards on the other hand rose significantly from 30% in 2Q to 50% in 3Q (103% in 1Q). The recent regulations of the CBRT are expected to lower these levels by squeezing consumption in high card limits.
- FC credits' weekly growth decelerated strongly thanks to both SME and non-SME lending in the sector. Although still being at historically high levels, its trend rate implies some modest deceleration.
- In the case of deposits, rise in TL deposits was TL 235.5bn due to the rise in TL demand deposits of official institutions and corporates. FC deposits fell by \$1.1bn led by the fall in corporates' USD deposits by \$2bn compared to inflows in hholds gold deposits by \$1.4bn and outflow from their USD deposits by \$600mn. Adjusted from price effects, FC deposits fell by \$2bn on a weekly basis (\$2bn fall in corporates), resulting in an overall decline of \$14.2bn year to date (\$21.1bn since end March) according to the CBRT.
- The fall in FC protected scheme (in US dollar terms) continued last week with \$763mnn declining to USD 44.6bn The share of TL deposits excluding FC protected scheme in total deposits rose to 54.2% from 53.4% previously (vs. the CBRT's target of 50% in 2024).
- TL Commercial credit rates continued to rise by 200bps to 57% and improved the spreads in this segment, which however remain negative since May24 compared to spreads in FC commercial credits hovering around 6%-7%. Consumer credit rates fell by 82bps to 67.4% with the decline in all consumer segment rates. Yesterday's (03/10) September CPI data (3%) realized higher than the market consensus (2.2%), partly showing the resilience of domestic demand. Hence, the CBRT may choose not to start rate cuts before next year and keep the rates high for longer.
- As released by the CBRT, TL deposit rates fell from 56.25% to 56.1%. The highest rate is in up to 3 months with 59.5%.
- The Non-Performing Loans (NPL) ratio of the sector hovers around 1.72%. The ratio remained stable in private banks whereas it continued its upward trend in public banks for the third week in a row (1.5% public banks, 2.1% private banks). The NPL ratio of consumer credit cards in both public and private banks rose sharply from 1.5% in 1Q24 to almost 3% as of end of 3Q24 with steady weekly increases. Last week's BRSA decision on the availability of restructuring consumer credit card debts up to 5 years is expected to decelerate the NPL inflows in this segment.

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

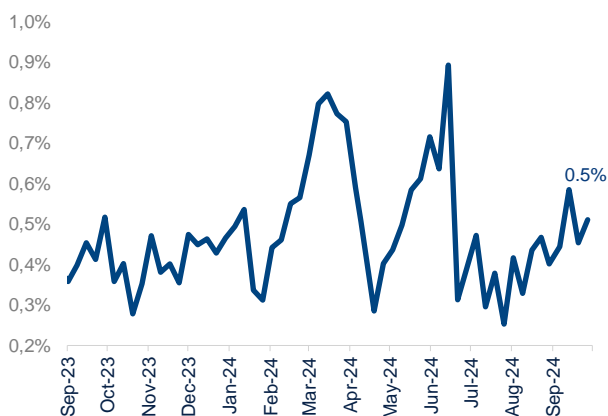


Figure 2. **Total Loans (FX adjusted, weekly, 4-week moving average)**

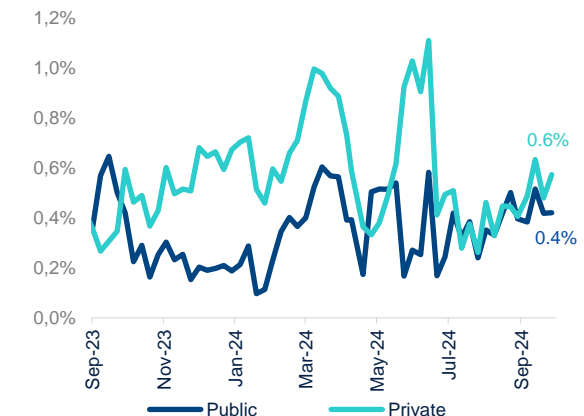


Figure 3. **Consumer Loans in Segments** (weekly, 4-week moving average)

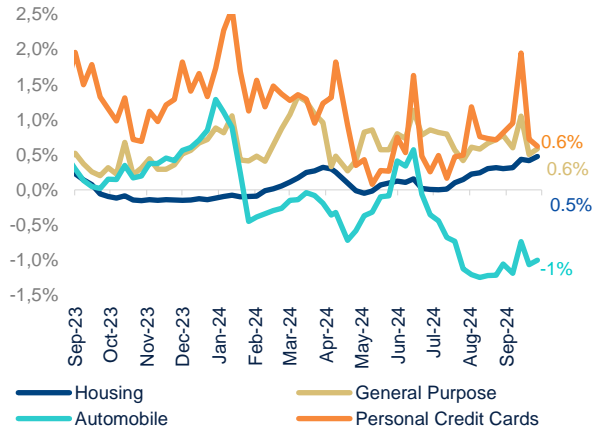


Figure 4. **Consumer Loans (w/o personal credit cards, weekly, 4-week moving average)**

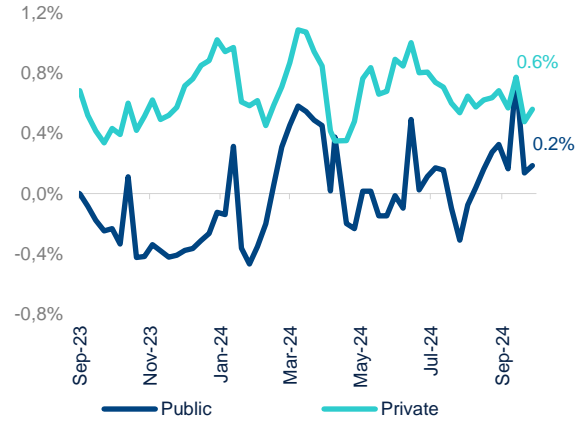


Figure 5. **Commercial Loans (TL & USD, weekly, 4-week moving average)**

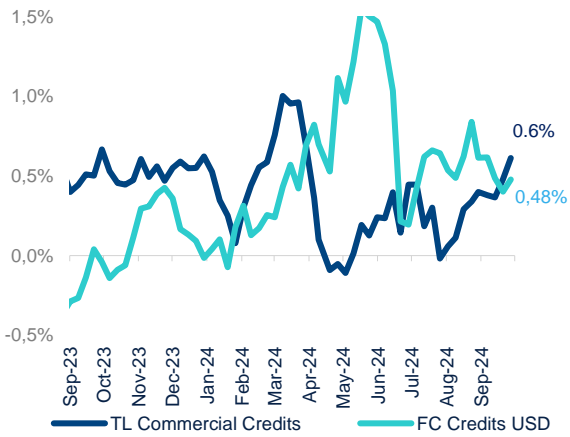


Figure 6. **TL Commercial Loans** (weekly, 4-week moving average)

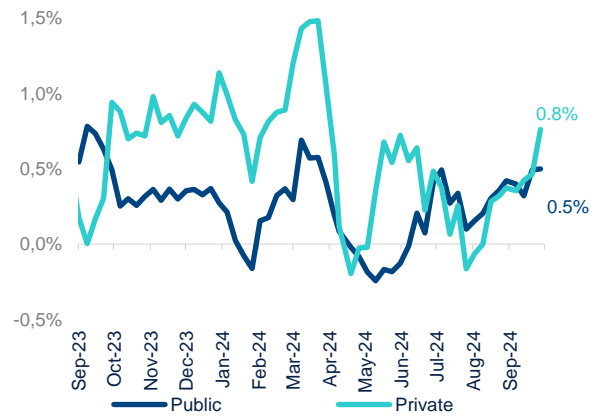


Figure 7. **TL SME Credits** (weekly, 4-week moving average)

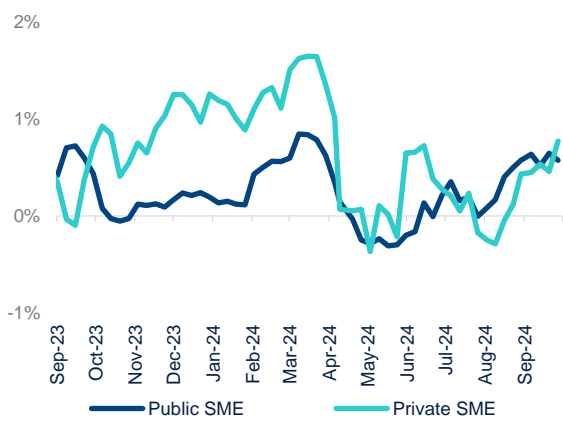


Figure 8. **TL Non-SME Commercial Credits** (weekly, 4-week moving average)

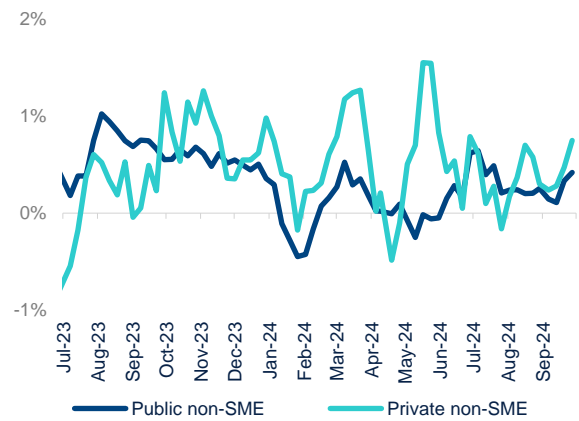


Figure 9. **FC SME Credits** (in USD, weekly, 4-week moving average)

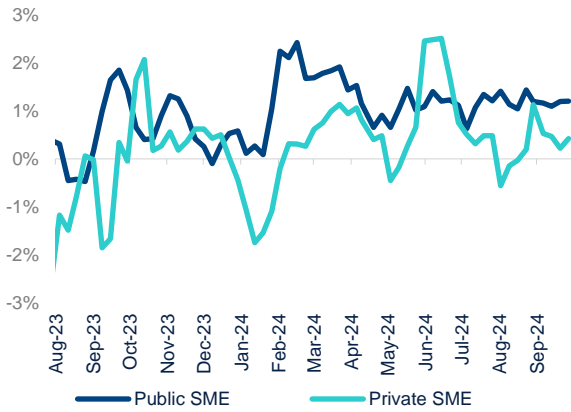


Figure 10. **FC Non-SME Credits** (in USD, weekly, 4-week moving average)

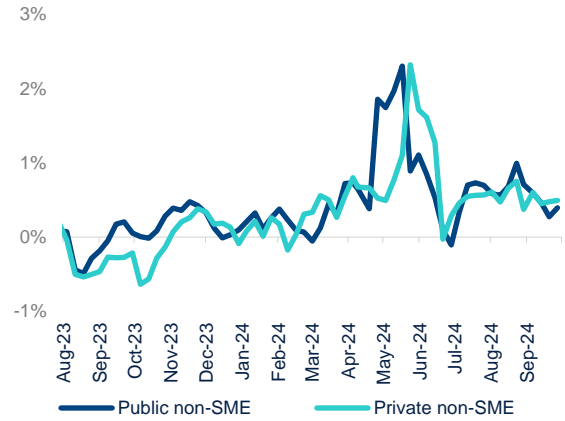


Figure 11. **Deposit Growth** (TL & FC in USD, weekly, 4-week moving average)

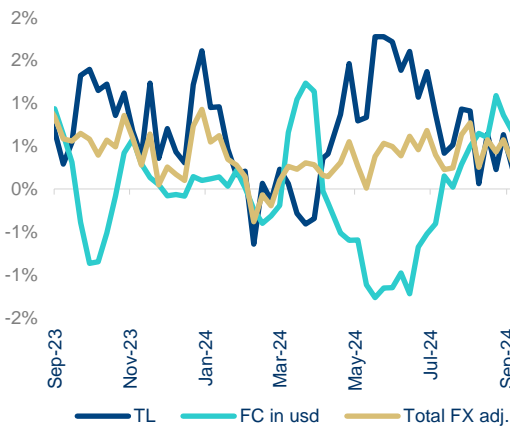


Figure 12. **FC Protected Time Deposits** (bn USD)

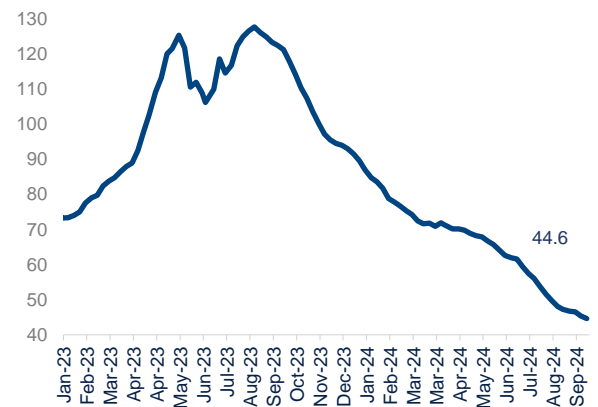


Figure 13. **FC Commercial Credit Interest Rates** (4w avg.%)

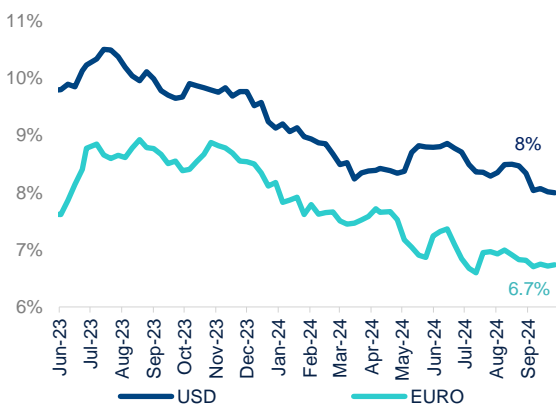


Figure 14. **FC Interest Rate Spread** (4w avg.%)

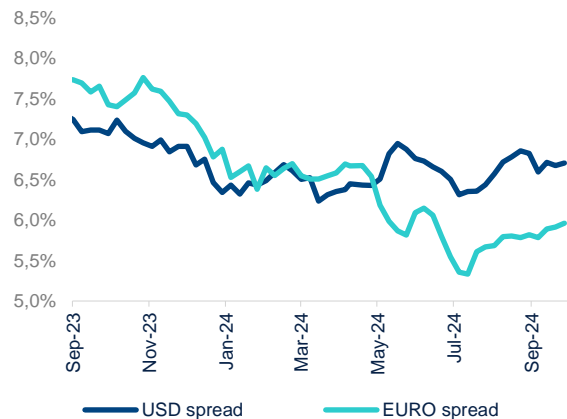


Figure 15. **EURO Deposit Interest Rates (4w avg %)**

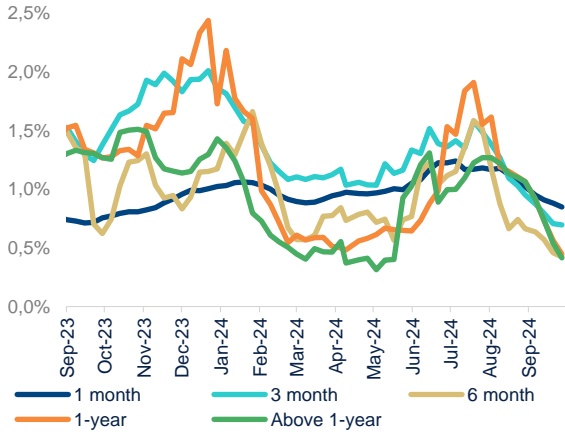


Figure 16. **USD Deposit Interest Rates (4w avg %)**

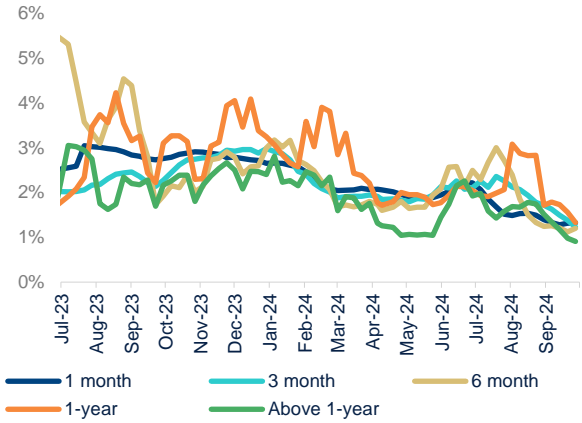


Figure 17. **TL Interest Rates (%)**

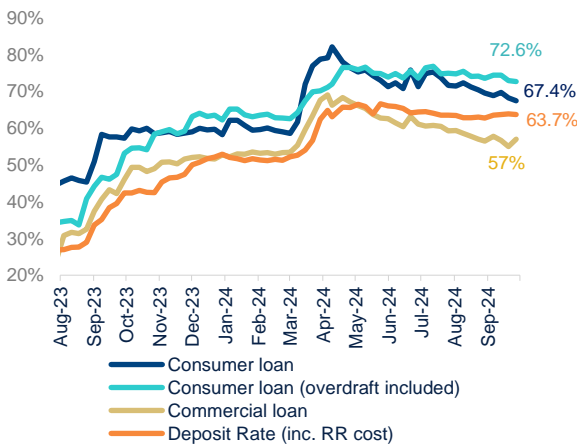


Figure 18. **TL Deposit Interest Rates (%)**

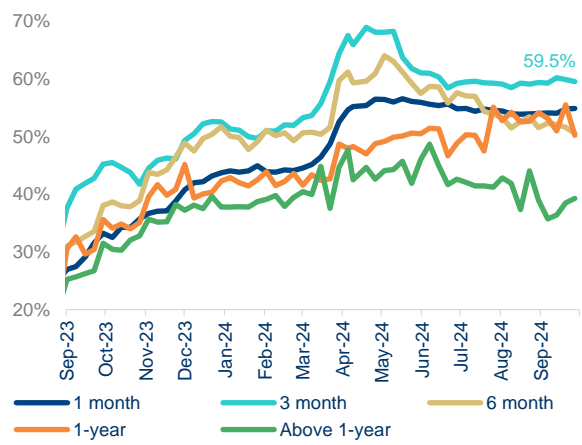


Figure 19. **Consumer Interest Rates (%)**

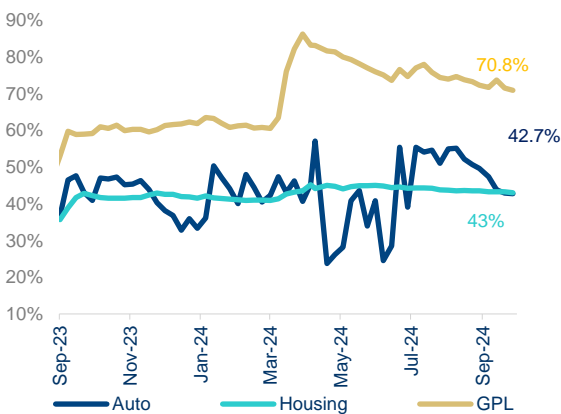
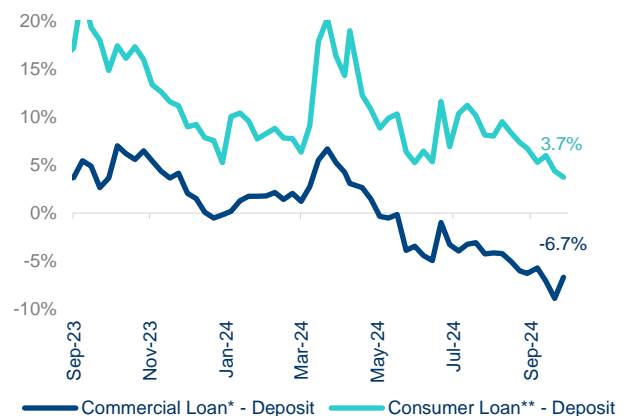


Figure 20. **Interest Rate Spread (% , including TL RR cost)**



* 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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