

Türkiye: Weekly Banking Tracker

Deniz Ergun

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- The weekly growth of FX-adjusted credits accelerated from 0.3% to 1%. The acceleration was due to both consumer and commercial credits in the sector. 4w trend continued to move upwards for the 3rd week in a row and reached almost 0.7% (highest since June'24).
- Among the sub-segments of TL credits, acceleration in consumer credits was seen in all of its subsegments. Specifically, housing and auto credit growth was led by private banks and general purpose loans (GPLs) growth was led by public banks. Trend of GPLs reached its highest level since March'24, probably on top of mostly overdraft loans. Consumer credit card growth was also led by public banks pushing up its 4w trend rate to 5%.
- Weekly growth in TL commercial credits was also strong with almost 1% due to both SME and non-SME lending in the sector, moving up its trend rate further.
- After 2 weeks of acceleration, foreign currency (FC) credit growth decelerated. Including the parity impact, its trend rate fell to 0.5%.
- Regarding deposits, TL deposits grew by TL 495bn. FC deposits rose by \$1.5bn due to increase in corporates' USD deposits by the same amount. Adjusted from price effects, the rise in FC deposits was \$1.4bn on a weekly basis resulting in an overall decline of \$18bn year to date (\$25bn since end March) according to the CBRT. Deposit dollarization ratio fell to 35.3% due to the higher increase in TL deposits.
- The FC protected scheme (in US dollar terms) continued to fall by another \$591mn to \$33.8bn. The share of TL deposits excluding FC protected scheme in total deposits rose to 58.4% (which was 42.2% by end 2023).
- Commercial credit interest rates fell by 56bps to 55.5%; and consumer rates by 106bps to 64.7%. Spreads in both segments deteriorated by around 100bps, bringing down the consumer spreads to negative levels. USD credit spreads continued to improve upwards. As released by the CBRT, TL deposit rate rose by 26bps to 56.2%.
- The Non-Performing Loans (NPL) ratio of the sector decelerated last week in all credit segments. The ratio for consumer credit cards fell from 2.9% to 2.8%; from 3.7% to 3.6% for GPLs; and from 1.7% to 1.6% for commercial credits.
- The BRSA (19/12/2024) abolished the implementation of 200% risk weights on commercial credits which will have a positive impact on the CAR of the sector. It will also increase the commercial credit supply of banks by relaxing the RWA amounts. The BRSA also decided that the exchange rate to be used in CAR calculation is revised to the value of 28/06/2024 instead of 26/06/2023 which will likely have a negative impact on the ratio.

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

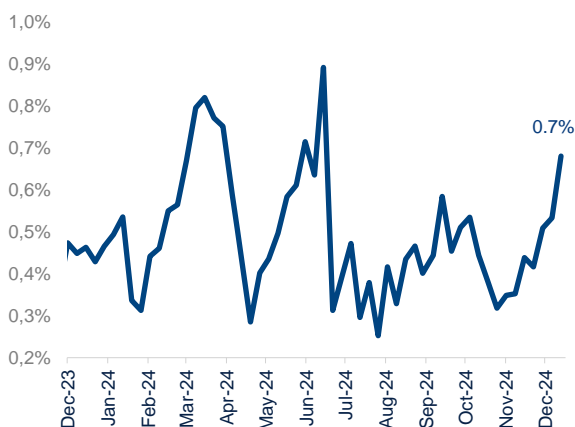


Figure 2. **Total Loans** (FX adjusted, weekly, 4-week moving average)

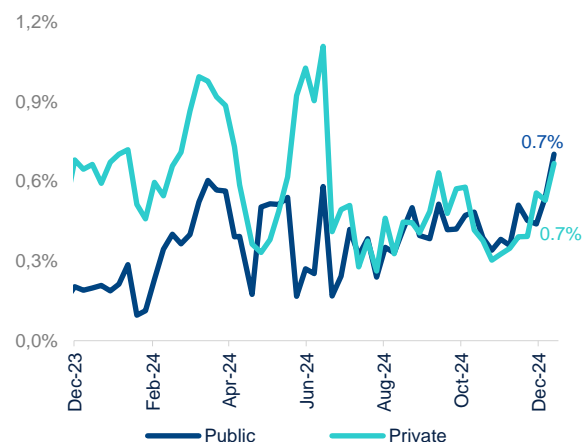


Figure 3. **Total Loans in Segments** (weekly, 4-week moving average)

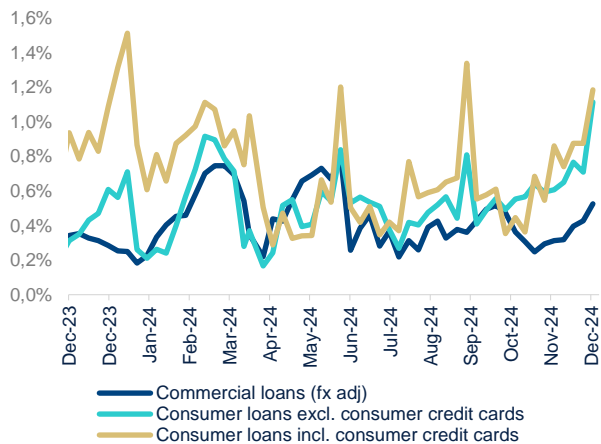


Figure 4. **Consumer Loans** (w/o personal credit cards, weekly, 4-week moving average)

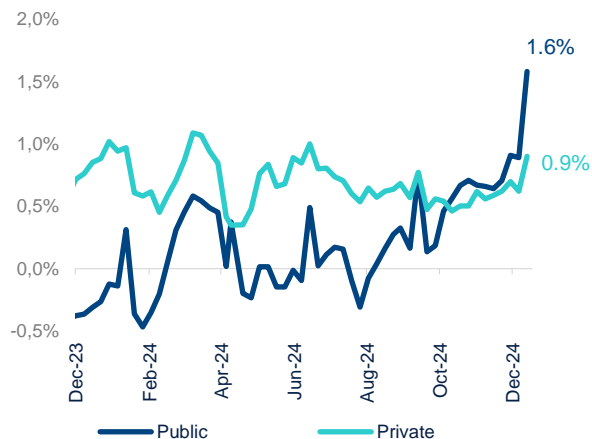


Figure 5. **Commercial Loans** (TL & USD, weekly, 4-week moving average)

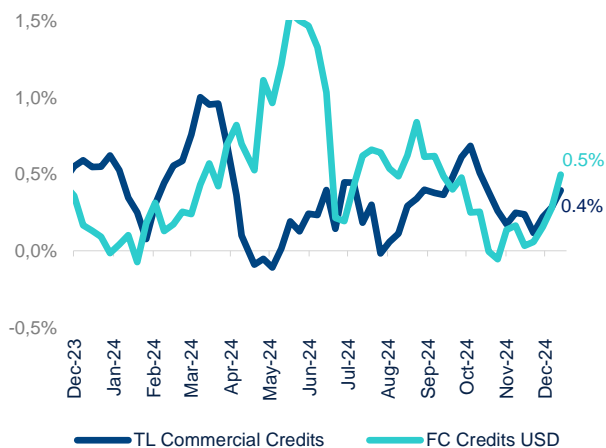


Figure 6. **TL Commercial Loans** (weekly, 4-week moving average)

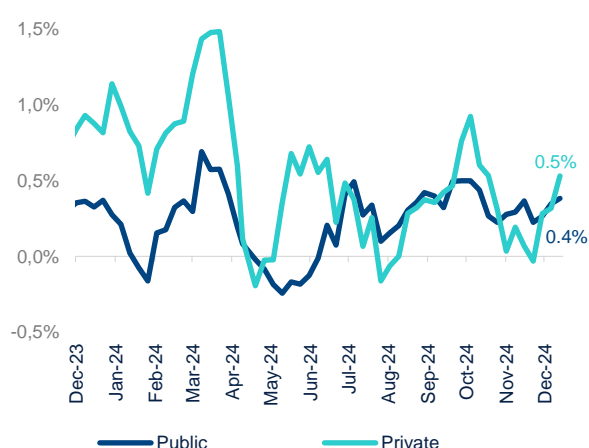


Figure 7. **NPL Ratios in Commercial Credits** (4w avg.%)

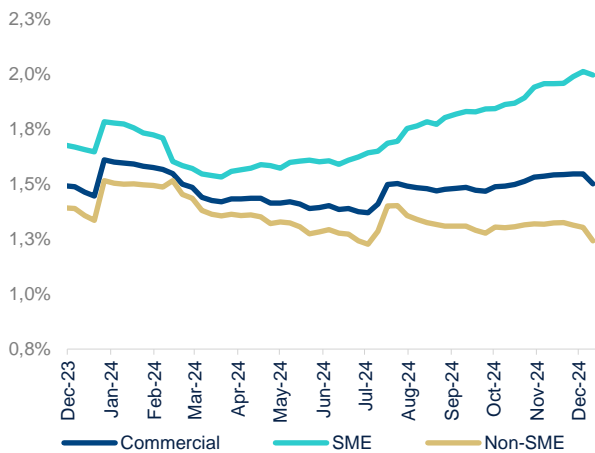


Figure 8. **NPL Ratios in Consumer Credits** (4w avg.%)

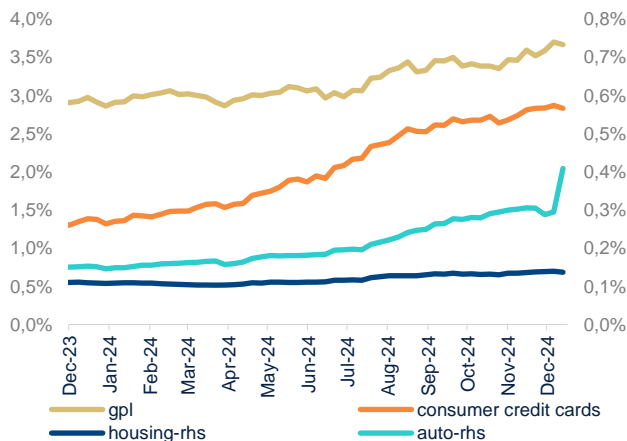


Figure 9. **Share in Banking Deposits (% in total)**

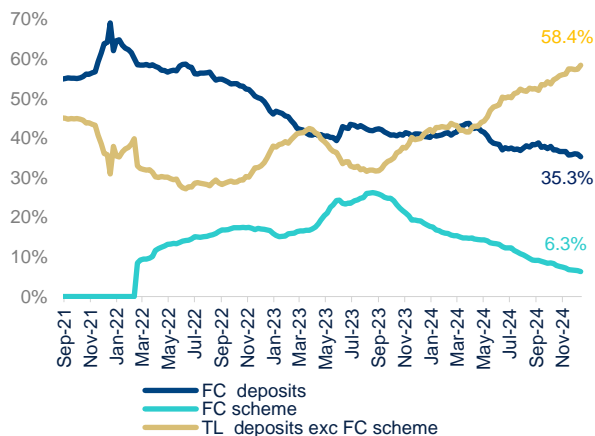


Figure 10. **Residents' FC Deposits Weekly Change (bn\$, adjusted from price effects, cumulative ytd)**

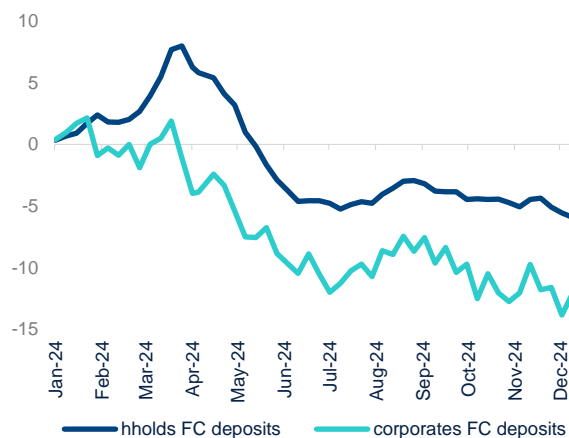


Figure 11. **TL Interest Rates (% , flow, compound)**

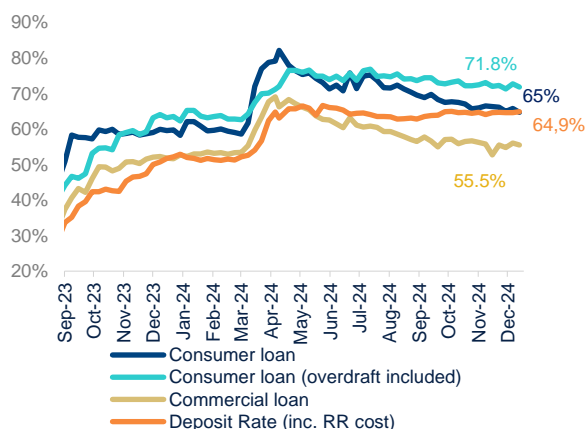


Figure 12. **TL Deposit Interest Rates (% , flow, compound)**

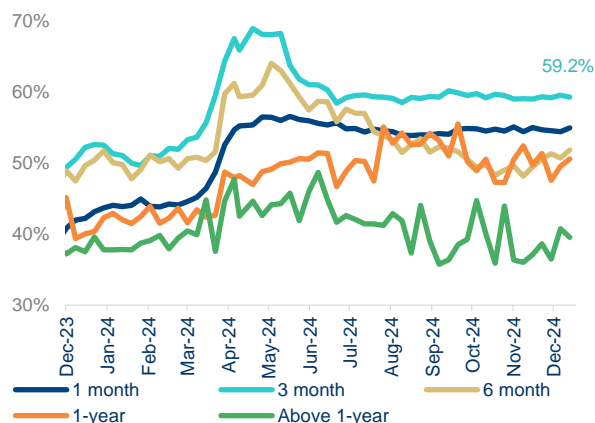


Figure 13. **TL Interest Rate Spread (4w avg %, flow, including TL RR cost)**

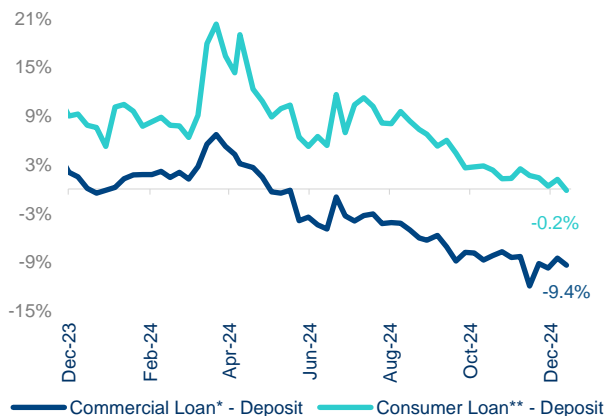
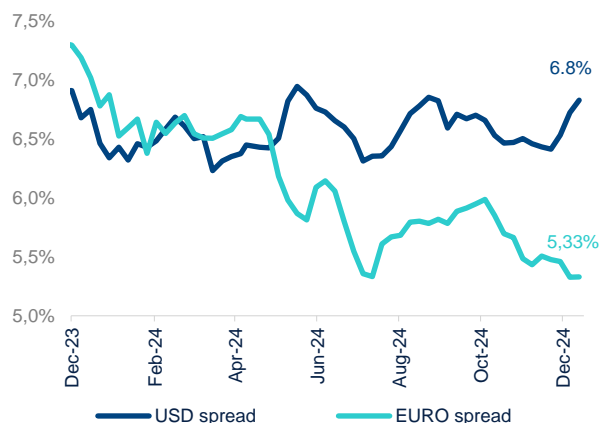


Figure 14. **FC Interest Rate Spread (4w avg %, flow)**



* 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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