

## PRESS RELEASE

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### Announcement of Maximum Interest Rates for Credit Cards in Q1 2015

The monthly maximum interest rates banks can charge on Turkish lira credit card borrowing in the first quarter of 2015 have been left unchanged. Meanwhile, instead of determining different rates for US dollar and euro, for all foreign exchange credit card borrowing the monthly maximum contractual and overdue interest rates are determined as 1.62 percent and 2.12 percent, respectively.

Accordingly, to be effective from 1 January 2015, for the credit card borrowings, the monthly maximum contractual interest rate is 2.02 percent for the Turkish lira and 1.62 percent for foreign exchange, whereas the monthly maximum overdue interest rate is 2.52 percent for the Turkish lira and 2.12 percent for foreign exchange.

Banks cannot charge higher interest rates than the rates announced by the CBRT for credit cards. Banks are free to determine their respective rates at their own discretion provided that they are below these ceilings. The maximum contractual and overdue interest rates for the three-month period starting on 1 April 2015 will be announced by the CBRT prior to that date.

Banks in Turkey, as is the case in other countries, charge higher interest rates for credit card borrowing than they do for consumer loans. The CBRT therefore advises credit card holders with short-term credit needs to seek a consumer loan rather than borrowing on personal credit cards.

#### Note:

The CBRT sets maximum interest rates for credit card borrowing under legal authority expressed most recently in the CBRT Communiqué No. 2014/5 on Maximum Interest Rates To Be Applied To Credit Card Transactions published in the Official Gazette No: 29153 dated 22 October 2014.

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