Statistics	Weighted Average Interest Rates for Bank's Loans

The Data: Coverage, Periodicity, and Timeliness

Coverage characteristics	**Purpose of the study:** Through the Weighted Average Interest Rates for Bank's Loans, banking sector's loan interest rates which is major part of the financial sector is revealed; timely and frequent monitoring of developments in interest rates for economic decision-makers and other data users. The target is to produce comparable, reliable and quality data at international standards.
	Data description: Statistics presented here is the weighted average interest rates calculated for each type of loan that are outstanding on the last working day of the week which are extended and renewed at the end of maturity with a different account number in the relevant week (current data). The loans extended to residents abroad (resident outside Türkiye) by domestic branches and the loans extended to the domestic residents by foreign and domestic branches of the banks (excluding loans granted by banks to banks) are included in the reporting. The loans extended to non-residents (resident outside Türkiye) by foreign branches are not within the scope of reporting. All statistical presentations include Turkish Lira and foreign currency transactions and are published in Turkish Liras.
	The statistical concepts and definitions used in the compilation of the weighted average interest rates of the loans extended weekly by banks are largely in line with the recommendations in the Monetary and Financial Statistics Manual 2000 (MFSM 2000) of the International Monetary Fund (IMF). In this handbook, the IMF recommends that interest rates be effective interest rates that reflect market interest rates, but leaves countries free on reporting, sample templates, interest compounding, weighting and other calculations. The weighted average interest rate reporting also converges with ECB regulations and MIR-Monetary and Financial Interest Rates interest rates.
	Statistical concepts and definitions:
	Bank: Includes deposit, development and investment banks.
	Residency: According to Decree no. 32 On The Protection of the Value of Turkish Currency, resident persons in Türkiye are real and legal persons with legal residence address in Türkiye including workers, self-employed and self-employed Turkish citizens abroad, while residents abroad refer to real and legal persons not classified as "resident person in Türkiye". Within this scope; The weighted average interest rates for the loans granted by the domestic and foreign branches of the banks are included in the statistics but not of the loans extended abroad by branches operating abroad.
	The concepts used in the weighted average interest rates for the loans extended by banks are defined as follows;
	Loans: Loans are financial assets created when creditors lend funds to debtors, to be repaid on the maturity date along with the interest they incur. In this category, cash loans (after deducting the past due loans) are in the categories of commercial, housing, consumer loans and currency types.
	Commercial Loans: Refers to the sum of Receivables from Discounted Transactions, Export Credits, Import Credits, Export Guaranteed Investment Loans, Other Investment Loans, Business Loans, Specialized Loans, Funded Loans, Securities Acquisition Loans on behalf of Customer, Precious Mining Loans, Claims from Factoring Transactions, Non-Banking Financial Loans, Other Loans*.
	*Other Loans: All other commercial credits not mentioned in the commercial loans subheadings listed above.
	Consumer Loans: Refers to the sum of personal, vehicle, and fixed interest rate housing loans. Shared as Credit Deposit Accounts included and excluded.

Housing Loans: It only includes fixed rate loans and does not include variable rate housing loans.

Interest Rate: First, the effective annual interest rates of the loan accounts are calculated and the weighted average interest rates are calculated by using the effective annual interest rates.

Classification system:

Sector Classification: The data base used in the compilation of weekly weighted average interest rate statistics reported by banks is based on UCA (Uniform Chart of Accounts) and are largely compatible with international standards.

Loan Classification: Based on the classification of loans in the UCA (Uniform Chart of Accounts) published by BRSA (Banking Regulation and Supervision Agency) - UCA is compatible with International Accounts.

Target group: Public institutions and organizations, international organizations such as IMF, OECD, ECB, Eurostat, BIS, private sector and academicians, courts, prosecutors, lawyers and experts.

Reference area: Türkiye

Geographical level: None

Sector coverage: Includes transactions of domestic banks with residents and non-residents, and of foreign branches with residents.

Time coverage: Data begins with January 2002 [Personal Finance (including KMH*, via TRY), Commercial Credit (excluding legal person KMH and corporate credit cards, via TRY), Consumer Credits (including KMH, via TRY, Personal Finance+Vehicle+Housing) series begins with 27 July 2012].

*KMH: Overdraft account

Coverage, n.e.s.: None.

Exceptional circumstances on coverage: None

Statistical unit: Reporting units

Base period: None

Reference period: Previous week

Unit of measure:

Variable/Indicator	Unit of measure
All Variables	Percent (%)

Periodicity	**Frequency of data collection:** Weekly

	Frequency of dissemination: Weekly
Timeliness	**Average production time for each release of data:** 5 days **Time lag - first results (days):** 7
	Time lag - final results (days): 7

Access by the Public

Advance dissemination of release calendar	**Link to advance release calendar: http://www3.tcmb.gov.tr/veriyaytakvim/calendar.php**
	Data release policy: Weighted Average Interest Rates Applied To Bank Loans Statistics are disseminated on the Central Bank of the Republic of Türkiye (CBRT)'s web page weekly and subscribed institutions are informed via email after every release.
Simultaneous release to all interested parties	**Simultaneous release:** Yes.
	Pre-release data share with press or other specific users under special agreements: No.

Integrity

Dissemination of terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information	**Responsibility for collection, processing, and dissemination of statistics:** Monetary and Financial Data Division of the Data Governance and Statistics Department of the CBRT is responsible for collecting, processing and disseminating statistics.
	Data sharing and coordination among data producing agencies: Data are reported to the following institutions after dissemination: BRSA, IMF, ECB, Undersecretariat of Treasury, courts, prosecutors, lawyers and experts.
	Confidentiality of individual reporters' data: Article 43 of the Law No. 1211 on the CBRT, as amended by the Law No. 4651 of April 25, 2001; requires that the Bank may not publish or disclose the statistical information having a private and personal nature nor may it submit these to any official authority or private body other than the Banking Regulation and Supervision Agency. This information shall not be used for purposes other than those of statistical nature nor as means of evidence. Data released will be evaluated confidential accordingly and will not be disclosed to third parties.
	Staff, facilities, computing resources, and financing: 4 employees are responsible for collecting, processing and disseminating monetary and financial statistics data. All employees have either undergraduate or graduate degrees. Hardware, software and automation needs are provided by the IT department in line with work plans.
	Monitoring user requirements: Internet based "Statistics User Survey" is conducted once a year.
	Quality policy: Our policy is determined to disseminate data according to internationally accepted standards and maintain consistency and timeliness of the data.

Quality monitoring: Cross checks and consistency checks are carried out before the data are published.

Impartiality of statistics: The detailed KT200H form (Credit Follow-up Form) based on the trial received from the banks is reflected in the table after the necessary corrections are made. Statistics are unbiased.

Data sources: The source of the interest rates of loans granted by banks; "KT200H" form which is prepared by the banks on the basis of the BRSA Uniform Chart of Accounts and the instructions of our Bank, which includes the weekly flow data obtained by the CBRT from the deposit, development and investment banks on a weekly basis.

Methodology: Regarding the weighted average interest rates of the cash loans extended by the banks, the records are calculated on the basis of the loan types of the total cash loan usage and the weighted interest rates of the sector by starting from the original forms shared by the deposit, development and investment banks. Detailed bank reporting, is a form that contains the cash loans and the weighted average interest rates granted by the banking sector to real and legal customers in the detail of the currency code, maturity and loan type, and forms the basis for the preparation of this statistics. In the original forms, the amount and interest rates (exports, specialization, personal finance, vehicles etc.) that are observed in terms of different credit items are reflected by the banking sector's types of loans (excluding the loans granted to each other by banks) and weighted average interest rates.

The banks calculate the effective annual interest rates of the loan accounts and calculate the weighted average interest rates using the effective annual interest rates.

Effective annual interest rates: Is the interest rate calculated on an annual basis, equal to the present value of all interest and principal repayments agreed on by the Bank and its customer on a contractual basis. Calculation example is available on the following tablature.

Credit Payment and Repayment Dates	t (Credit Payment and Repayment Days	Credit Amount	Cash Flow (Principal+Interest Payment) (a)	Discount Factor (1+EAIR)^(-t/365) (b)	Present Value of Cash Flows (a*b)	Effective Annual Interest Rate (EAIR)	Effective Annual Interest Rate (EAIR) (%)
01.01.2012	1	10.000				0,1490	14,90
01.02.2012	31		480	0,99	474	0,1490	14,90
01.03.2012	60		480	0,98	469	0,1490	14,90
01.04.2012	91		480	0,97	464	0.1490	14.90
01.05.2012	121		480	0,96	458	0,1490	14,90
01.06.2012	152		480	0,94	453	0,1490	14,90
01.07.2012	182		480	0,93	448	0,1490	14,90
01.08.2012	213		480	0,92	443	0,1490	14,90
01.09.2012	244		480	0,91	437	0,1490	14,90
01.10.2012	274		480	0,90	432	0,1490	14,90
01.11.2012	305		480	0,89	427	0,1490	14,90
01.12.2012	335		480	0,88	423	0,1490	14,90
01.01.2013	366		480	0,87	418	0,1490	14,90
01.02.2013	397		480	0,86	413	0,1490	14,90
01.03.2013	425		480	0,85	408	0,1490	14,90
01.04.2013	456		480	0,84	404	0,1490	14,90
01.05.2013	486		480	0,83	399	0.1490	14.90
01.06.2013	517		480	0,82	394	0,1490	14,90
01.07.2013	547		480	0,81	390	0,1490	14,90
01.08.2013	578		480	0,80	385	0,1490	14,90
01.09.2013	609		480	0,79	381	0,1490	14,90
01.10.2013	639		480	0,78	376	0,1490	14,90
01.11.2013	670		480	0,77	372	0,1490	14,90
01.12.2013	700		480	0,77	368	0,1490	14,90
01.01.2014	731		480	0,76	363	0,1490	14,90
Total Repayment			11.520		10.000		

Sample : Effective Annual Interest Rate Calculation Table for 2 Year Term with Monthly Payments Personal Finance Credit

Calculation of Weighted Average Interest Rate

After calculating the weighted interest rate for all credit types as follows, interest is calculated by weighting the sub-items for the main items with the amount and interest rates.

	Term	Effective Annual Interest Rate (I)	Amount (Ti)	Percentage Share (II) =Ti/Σ(Ti)	Weighted Interest Rate (Ai) = (IxII)
1. Customer	3 Month	11,50%	250	0,20	2,35%
2. Customer	6 Month	12,50%	200	0,16	2,04%
3. Customer	8 Month	12,75%	100	0,08	1,04%
4. Customer	9 Month	13,50%	400	0,33	4,41%
5. Customer	12 Month	14,00%	275	0,22	3,14%
Weighted Interest Rate = ΣAi					12,98%

Recording: Loan Data from banking system is provided within the context of the Uniform Chart of Accounts, which is prepared according to the International Financial Reporting Standards and recorded on accrual basis. Loans are recorded at nominal value.

Valuation: Valuation of foreign currency denominated loans is made at the foreign exchange buying rate applied by each bank.

Grossing/Netting: The credit amount used in calculating the weighted average interest rate is

	the netted amounts calculated by subtracting the overdue receivables from the cash loans.
	Deviations from International Standards: Annual effective interest rates are used to calculate weighted average interest rates and are in line with the recommendation of MFSM 2000. However, there are differences in some applications.
	Modes of dissemination: Data are disseminated on the CBRT's website as time series.
	Commenting on erroneous interpretation and misuse of statistics: After dissemination of data, regular controls and follow-ups are made to avoid erroneous interpretation and misuse of statistics in the media.
	Disclosure of terms and conditions for statistical collection, processing, and dissemination: Punctual dissemination of the data according to the advance release calendar.
	Seasonal adjustment: There is no seasonal adjustment on existing data.
	Legal acts and other agreements on collection, processing, and dissemination of statistics: The Law on the Central Bank of the Republic of Türkiye, No.1211, Article.43
Identification of internal government access to data before release	None.
Identification of ministerial commentary on the occasion of statistical releases	Published without any comment.
Provision of information about revision and advance notice of major changes in methodology	**Revision schedule:** Weekly current loan-weighted average interest rates are published on the last business day of the week following the reference period. Footnotes are provided for exceptional revisions to the data for the previous weeks when needed.
	Identification of preliminary and/or revised data: Weekly current loan-weighted average interest rates are disseminated 1 week after the reference period. When provisional data are disseminated, revisions on the data related to previous weeks are reflected.
	Advance notice of major changes in methodology, source data, and statistical techniques: Amendments to the tables and methodology are announced in advance on the website.

Quality

Dissemination of documentation on methodology and sources used in preparing statistics	
Dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical	**Internal consistency:** The data sets are consistent with each other.
	Temporal consistency: Comparable time series begin with • 4 January 2002 for Personal Finance (via TRY), Vehicle (via TRY), Housing (via TRY), Commercial (viaTRY), Commercial (via EUR), Commercial (via USD), Consumer Credit (via TRY, Personal Finance+Vehicle+Housing),

cross-checks and provide assurance of reasonableness	• 27 July 2012 for Personal Finance (including KMH*, via TRY), Commercial (via TRY, excluding legal person KMH and Corporate Credit Cards), Consumer Credit (including KMH*, via TRY, Personal Finance+Vehicle+Housing) *KMH: Overdraft account
	Intersectoral and cross-domain consistency: Data is consistent across fields.

Notes

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