

February 2026
Deniz Ergun

Türkiye: Quarterly Debt Outlook

Key messages

Households



Households keep using their gold (broadly precious metals) savings as a significant wealth buffer. Their overall financial assets/GDP ratio remains low (40%); their «deposit» share declined in 3Q25, seems to be replaced by the increase in mutual funds. NPL flows in GPLs and credit cards have again gained momentum, since restructured loans after July have started to be transferred as new NPLs. Excess TL liquidity mostly parked in mutual funds is a near term risk to financial stability in terms of potentially speeding up dollarization.

Corporates



After having improved between August and October, net FX short position of corporates worsened in November due to the increase in their external FC liabilities. High roll-over ratios prove that real sector's access to external financing remains to be solid. NPLs of SMEs reached almost 3.5% which will most probably be eased with further restructurings in 2026 and also additional CGF credit packages. Recent announcement of a credit package of TL 100bln for manufacturing firms will be an additional supportive measure.

Public Debt



Overall public debt to GDP remains low. High burden of interest payments due to high interest rates (caused by the slower than expected disinflation path) and decreasing maturities remain as risk factors, in addition to the losses due to decelerating but continuing gold borrowings amid the upsurge in prices.

Banks



The increase in banks' subordinated debt issuances in 2Q25 decelerated in 4Q25, which are expected to resume after 1Q26. External credits continued to support external funding growth. Having said that, the short term debt to be paid in one year is increasing in the sector since Aug25.

FX position



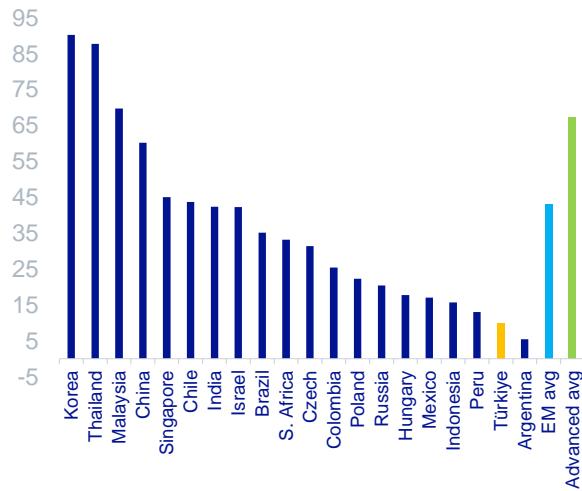
The overall total FX position of the economy deteriorated (with the latest data of Nov25) due to widening net FX short position of the real sector. The composition of external debt continues to shift between the public sector and the real sector, more to the deficit side of the real sector.

01.

Households Indebtedness

Türkiye remains one of the countries which decreased its hhold debt ratio wrt 2023, according to latest IIF data

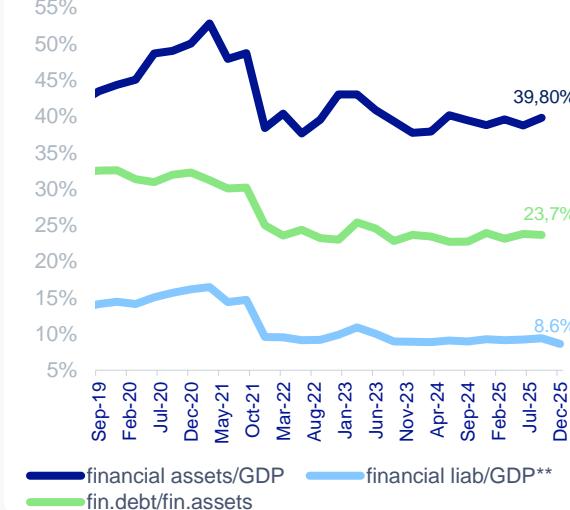
HOUSEHOLD INDEBTEDNESS (% GDP, 3Q25-IIF)



HOUSEHOLD INDEBTEDNESS (% GDP, IIF)



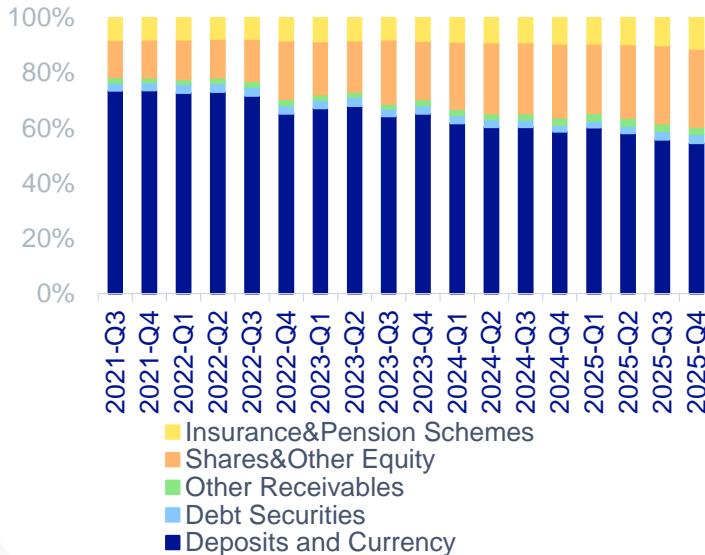
TURKEY HOUSEHOLD FINANCIAL ASSETS & LIABILITIES (CBRT*, %)



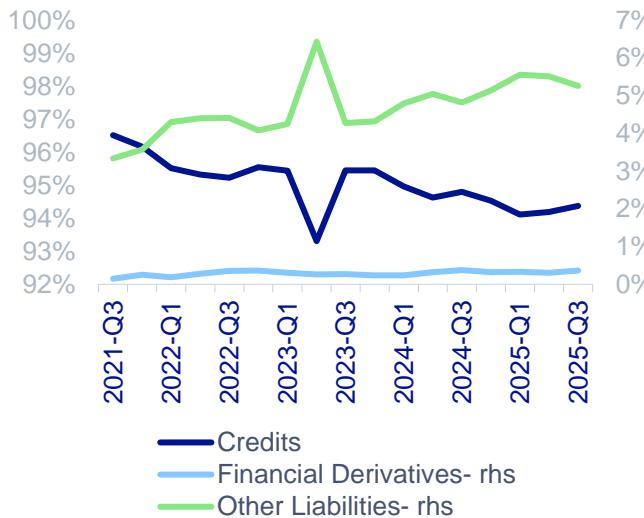
The rise in households' financial assets was slightly higher than that of liabilities in 3Q25. However, the ratio of hholds' financial assets/GDP remains low and is mainly due to hholds' traditional tendency for non-financial assets, such as physical gold and housing. **

The deposit share of households within their financial assets keeps falling, potentially below 55% by end 2025

BREAKDOWN OF FINANCIAL ASSETS BY INSTRUMENTS* (%) , HHOLDS, SHARE IN TOTAL)



BREAKDOWN OF LIABILITIES BY INSTRUMENTS (%) , HHOLDS, SHARE IN TOTAL)



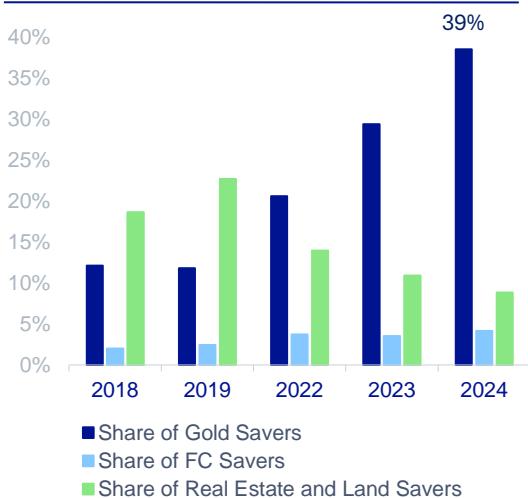
*Other receivable and other payable items: The assets under this category are distinguished by a timing difference between the transaction that creates these assets/liabilities and the corresponding payment. In the Turkish practice, this category includes transitory liability and asset accounts, miscellaneous receivables and payables, prepaid taxes, etc.
4Q25 financial asset variables are estimated using CBRT, TEFAS and TSPB data.

** Shares & other equity consists of shares & equity and mutual funds (mmf & non-mmf) investments

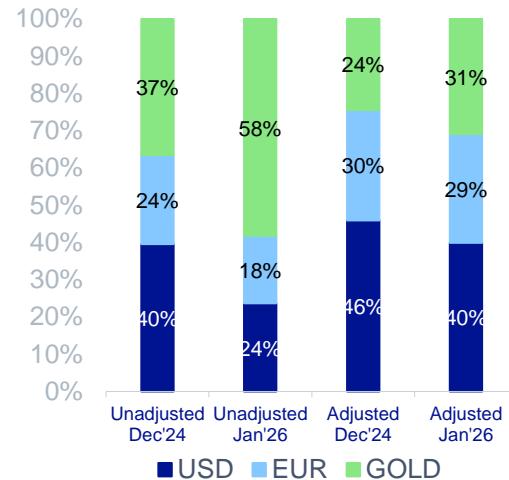
Source: CBRT Financial Accounts 3Q25, Garanti BBVA Research.

Valuation impact* of gold deposits continues to provide a significant wealth buffer for hholds

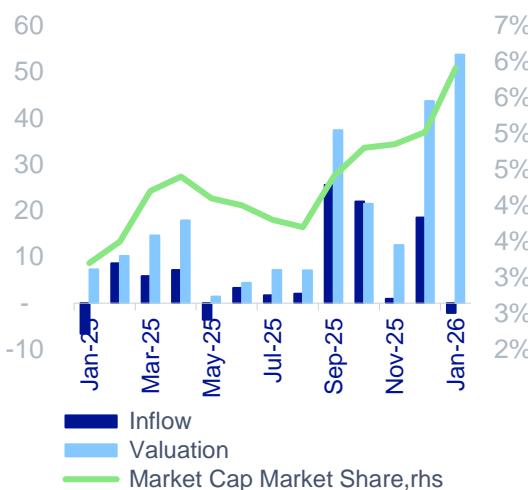
HOUSEHOLDS' MAINLY PREFERRED SAVING TYPE** (% share in number of people, TURKSTAT)



HOUSEHOLD FC DEPOSIT COMPOSITION*** (%)



PRECIOUS METALS FUNDS MONTHLY VALUATION AND NET INFLOWS (billion TL)



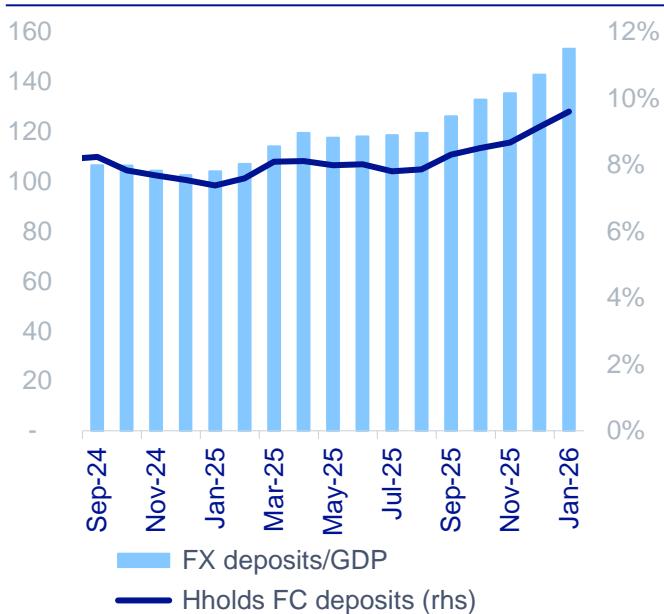
* For more on the valuation effect of non-financial assets of hholds, see the first CBRT Inflation Report of 2025.

** TURKSTAT Household Budget Survey 2018-2024. The data is missing for years 2020 and 2021 due to the COVID.

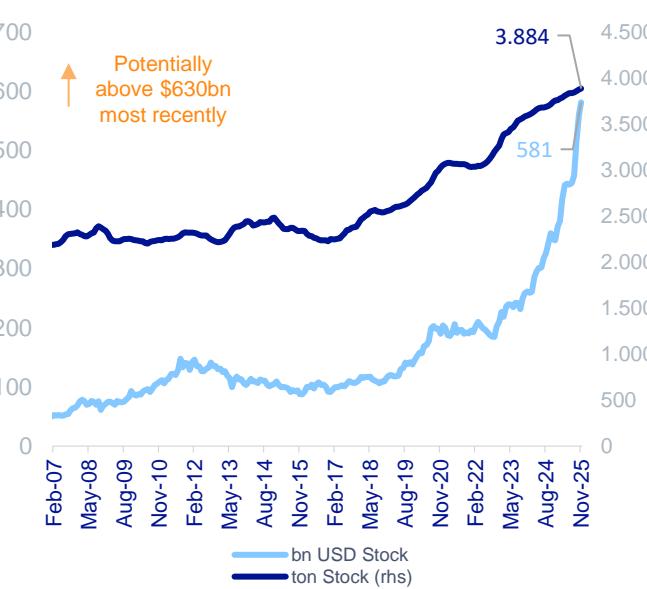
*** According to Jan 23th data. Adjusted data is controlled for gold price and parity effects as of end 2019

Households accumulate under-pillow gold stock which we estimate to be close to 4k tons & above 600bn\$

HHOLDS' FC DEPOSITS (% GDP & bn USD)



GOLD STOCK* IN TÜRKİYE Bn USD & ton

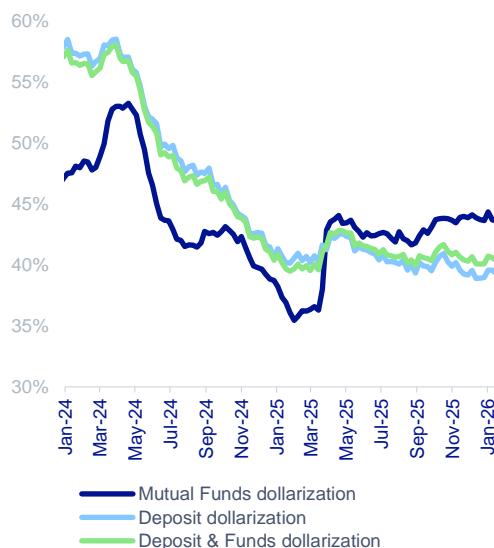


* We calculate the total gold stock in Türkiye by replicating the estimation of the CBRT. As of end November 2025, the CBRT-owned gold is 574 tons, Treasury-owned gold is 45 tons.

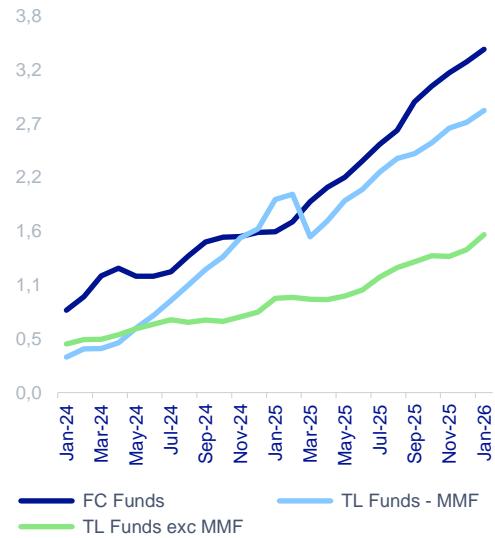
Source: CBRT, TURKSTAT and Garanti BBVA Research.

After KKM finalization, inflows to FC funds have lost pace, yet the size of FC funds stays higher than TL MMFs

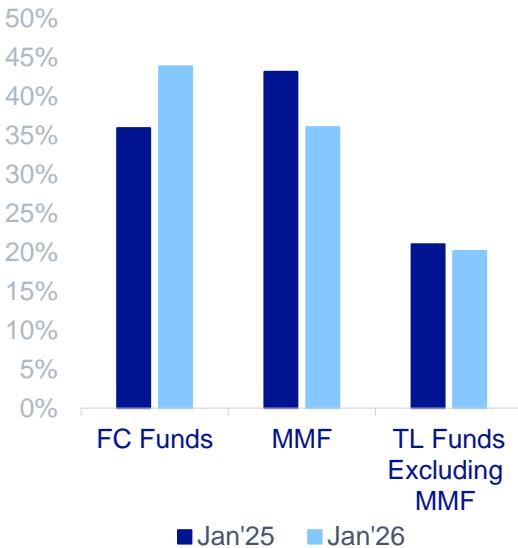
DEPOSIT AND MUTUAL FUNDS DOLLARIZATION RATIO (%)



FUNDS VOLUME BY INSTRUMENTS (TRILLION TL)



FUNDS BREAKDOWN BY INSTRUMENTS (% SHARE IN TOTAL)



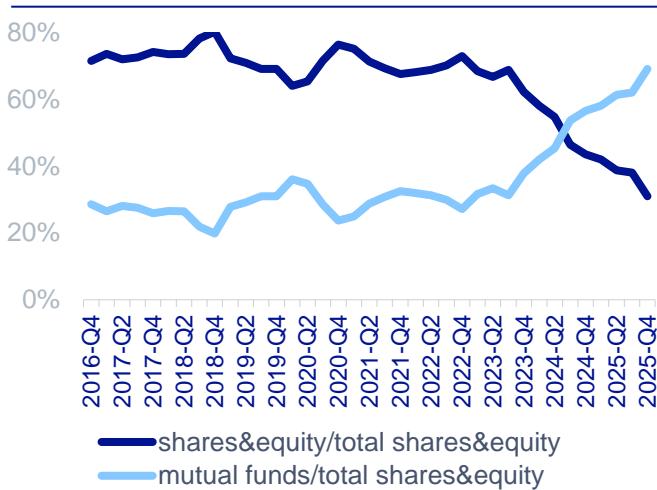
MMF: Money Market Funds, Hedge Money Market Funds, Participation Money Market Funds

FC Funds: FC Hedge Funds, Eurobond Funds, Precious Metals funds

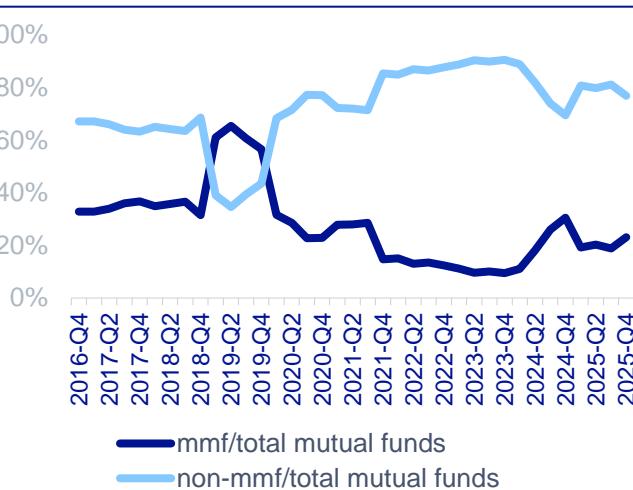
TL Funds Excluding MMF: Stock Market Funds, Turkish Bonds Funds, TL Hedge Funds

Hholds' MMFs gained more share than their non-MMF investments in 4Q25 wrt 3Q25

BREAKDOWN OF FINANCIAL ASSETS BY INSTRUMENTS (% HHOLES, SHARE IN EQUITY 4Q25)



BREAKDOWN OF FINANCIAL ASSETS BY INSTRUMENTS (% HHOLES, SHARE OF FUNDS 4Q25)

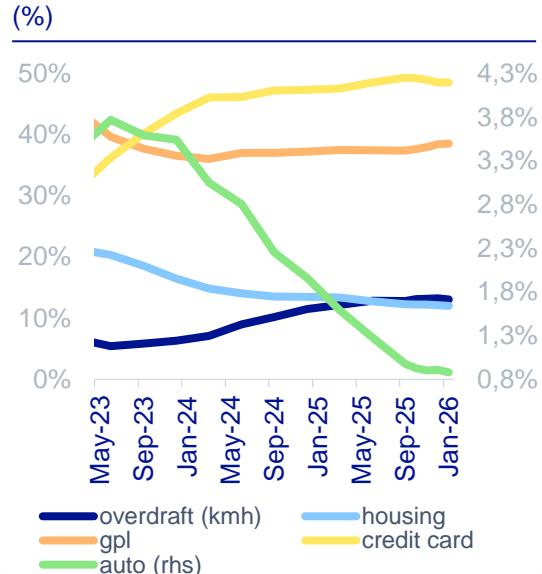


Source: CBRT Financial Accounts 3Q25, Garanti BBVA Research, TEFAS, TSPB.

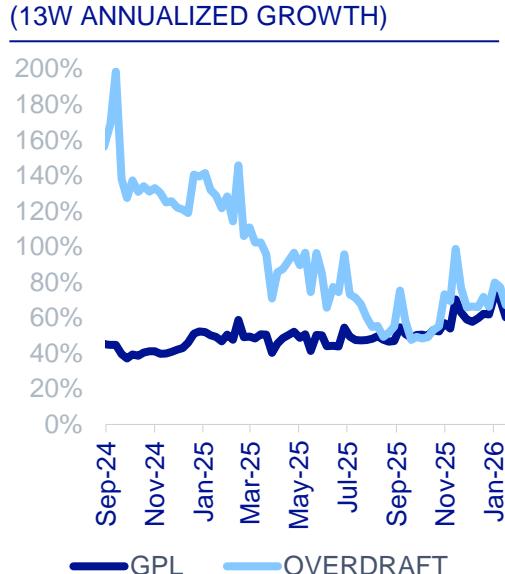
The share of equity investments continued to fall in 4Q25.

Share of GPLs continues to be replaced by credit cards whose share reached almost 50% of consumer credits

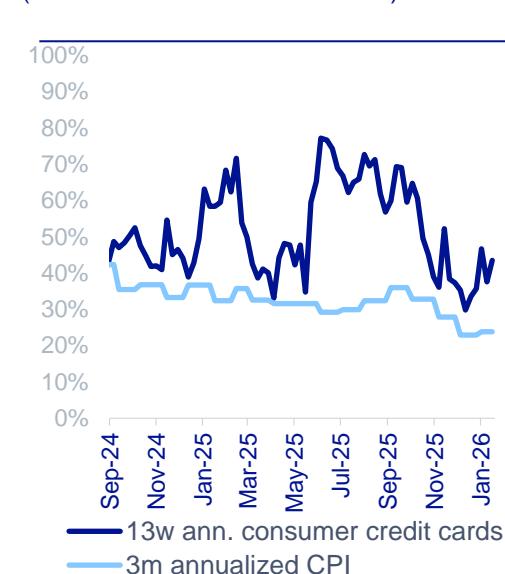
SHARE OF CREDIT SEGMENTS IN TOTAL CONSUMER CREDITS (%)



GENERAL PURPOSE & OVERDRAFT LOANS (13W ANNUALIZED GROWTH)



CONSUMER CREDIT CARDS (13W ANNUALIZED GROWTH)

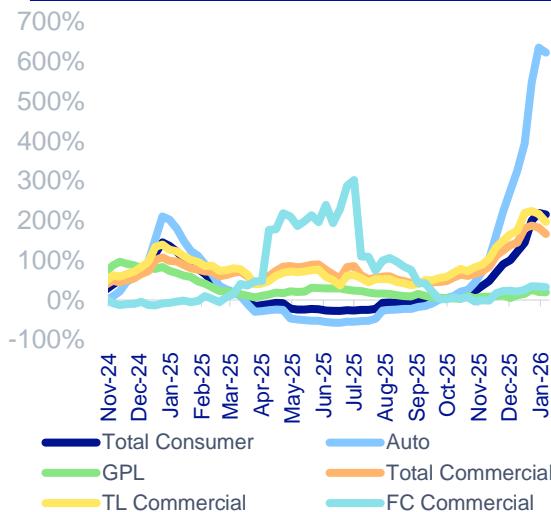


The BRSA has introduced 8-week growth limit (2%) for overdraft account (KMH) limits extended to consumers as of February. Also, overdraft limit is capped at a maximum of twice the customer's monthly average income, as determined based on documents accepted by banks as proof of income.

Consumer credit growth continues also in non-bank financial institutions where there are no growth caps

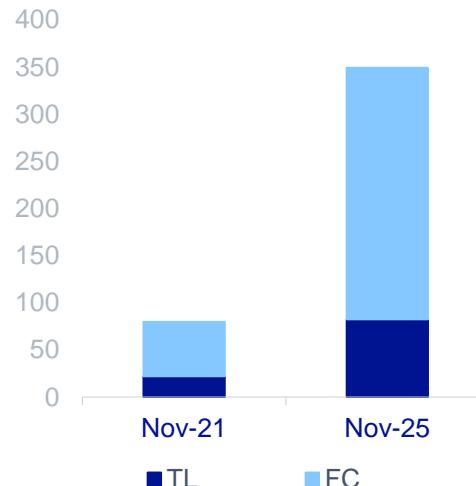
FINANCING COMPANIES

13 WEEK ANNUALIZED



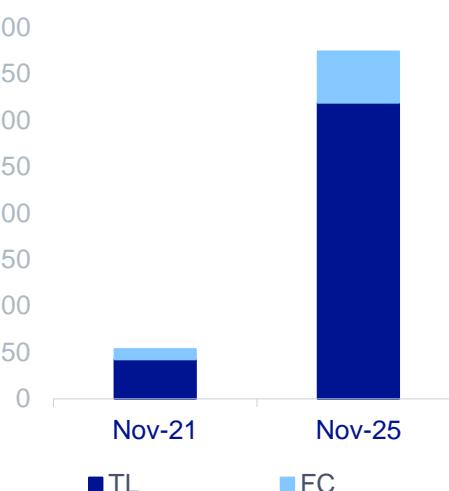
LEASING COMPANIES

Bln TL



FACTORING COMPANIES

Bln TL



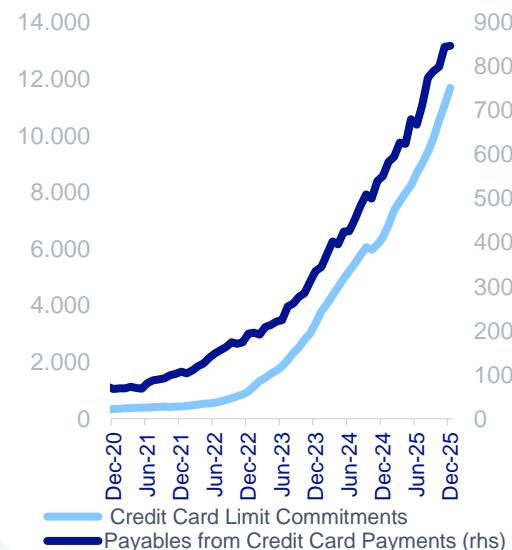
Although still low, consumer credits (particularly auto loans) have been accelerating since Sep25 in consumer financing companies. Factoring and FC leasing receivables grew also fast since 2021.

Card limit usage ratio fell to 24.5% compared to the fast increase in total limits by end 2025

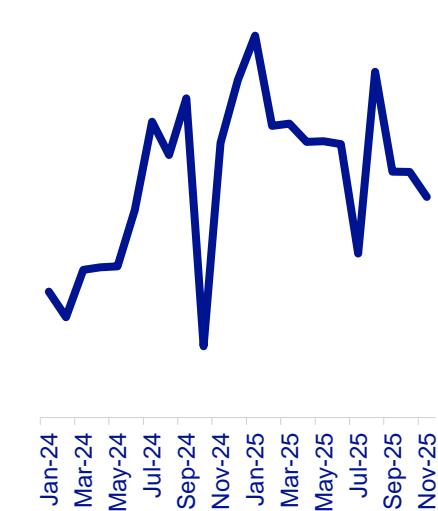
CREDIT CARD LIMIT USAGE RATIO %



CREDIT CARD LIMIT COMMITMENTS (BN TL)



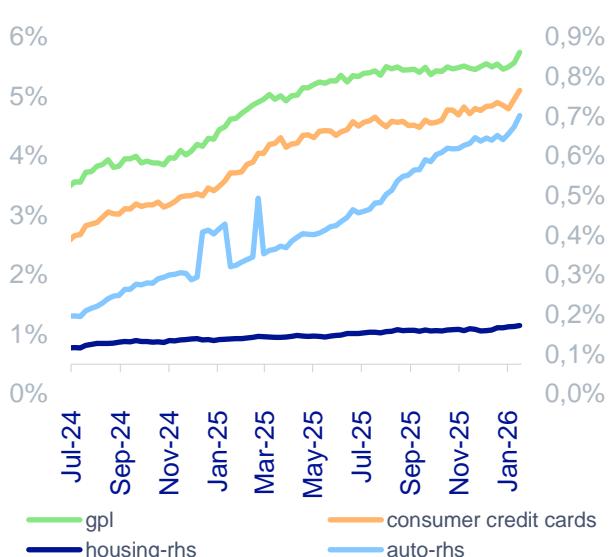
OF PEOPLE WHO DID NOT PAY CREDIT CARD DEBT in thousands



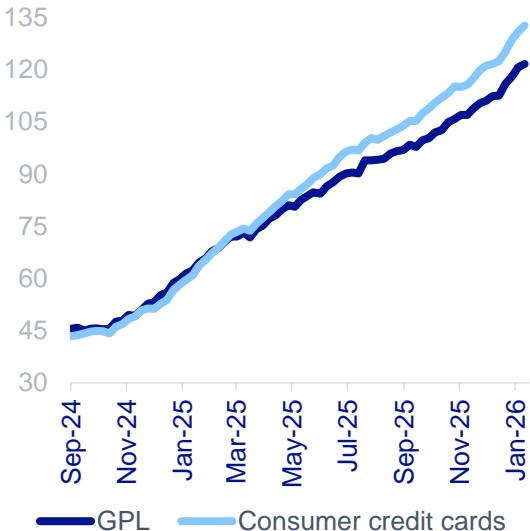
BRSA has imposed restrictions on retail credit card limits as of Feb. If a cardholder's total credit card limits across all banks exceed TRY 400,000; banks will partially reduce the unused credit card limits as of Feb 15th on which the highest spending occurred within the past year. Banks are also required to ensure that all cardholders' credit card limits are aligned with their monthly/annual average income by 2027.

The NPL ratio of GPLs reached their highest level since 2017

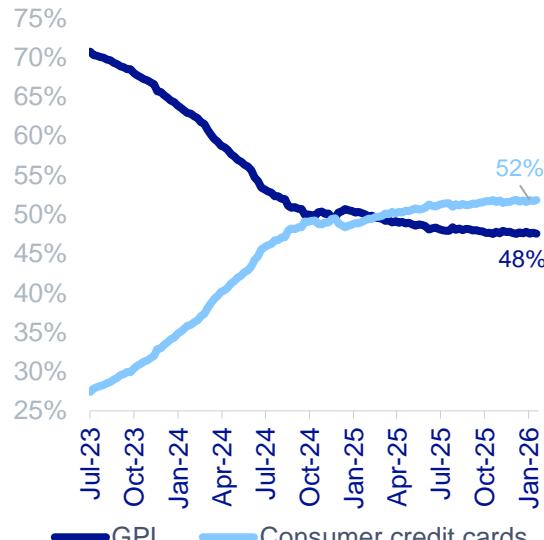
NPL RATIO IN RETAIL CREDITS (%)



NPL AMOUNTS OF GPL & CONSUMER CREDIT CARDS Bln TL



NPL AMOUNT SHARE IN TOTAL RETAIL NPL (%)



The restructurings btw Jul-Oct25 on retail credits had eased the pressure on NPL inflow in 2025. However, as the deferred impact started to materialize as of 2026, the upward trend has gained momentum again. The recent BRSA decision* will likely have a further easing impact in 1Q26. However, the overall net impact for 2026 on NPL flows might be very limited due to deferred NPL deterioration from the restructured balances.

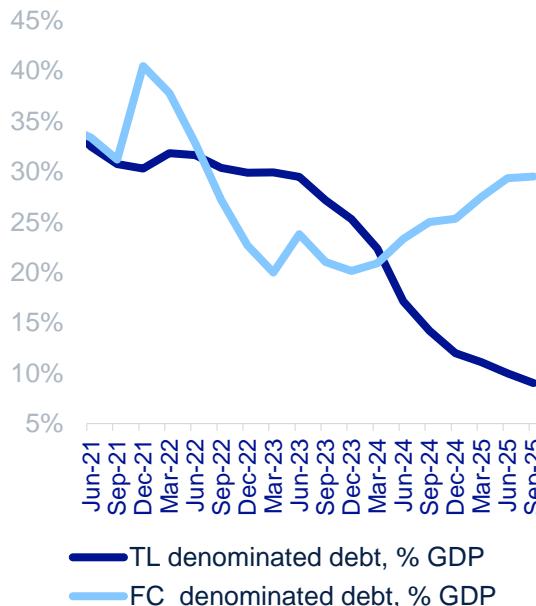
*According to [BRSA decision](#) as of Feb26, retail credit cards and GPLs that are partially or fully unpaid as of the due date may be restructured upon the request within three months of the decision date, with maturities capped at 48 months.

02.

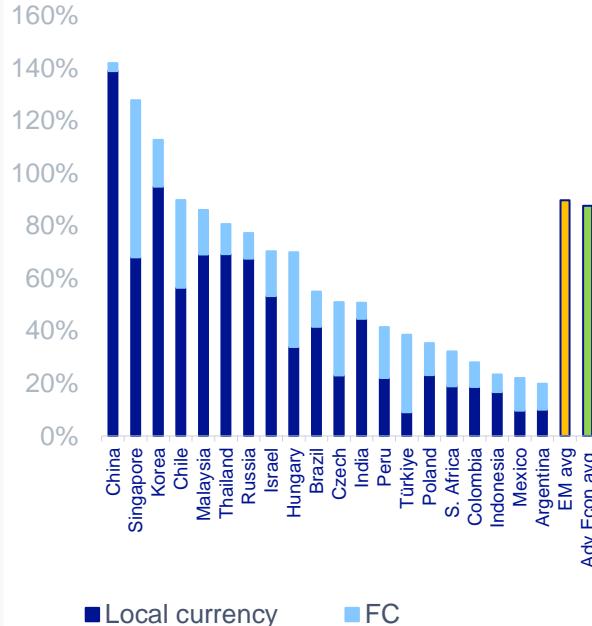
Corporates Indebtedness

In terms of FC debt/GDP of corporates, Türkiye stands as one of the highest 4 countries among peers

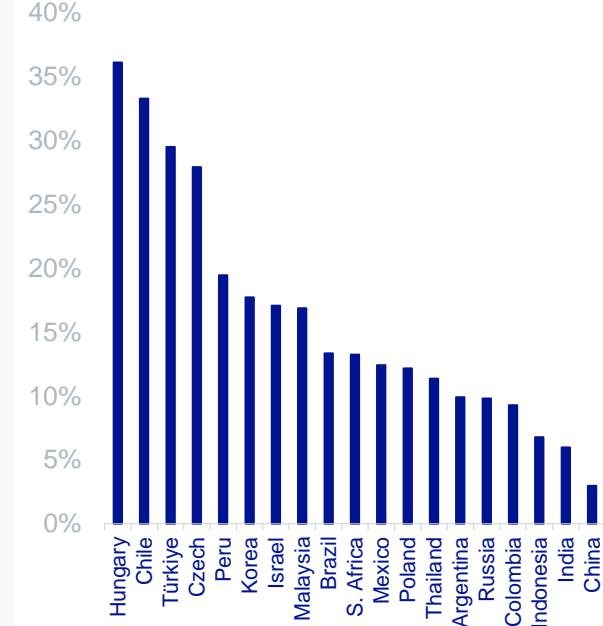
DEBT/GDP RATIO OF THE CORPORATE SECTOR* (%)



DEBT/GDP RATIO OF THE CORPORATE SECTOR PEER COUNTRIES* (% 3Q 2Q25)

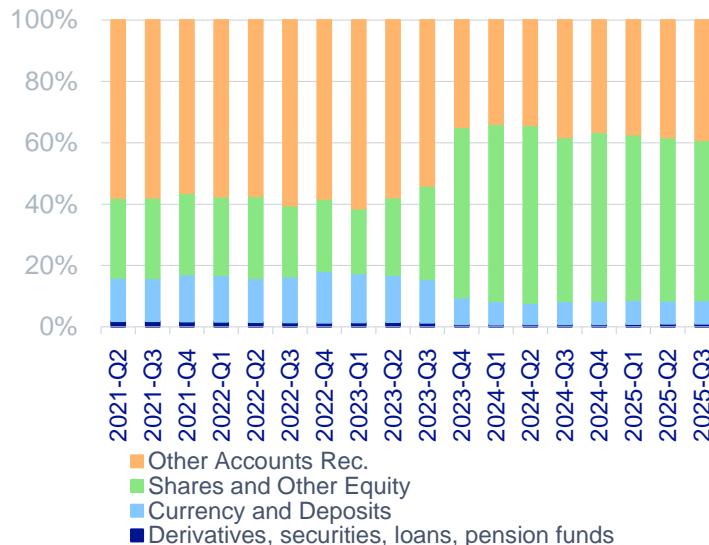


FC DEBT/GDP RATIO OF THE CORPORATE SECTOR PEER COUNTRIES** (% 3Q 2Q25)

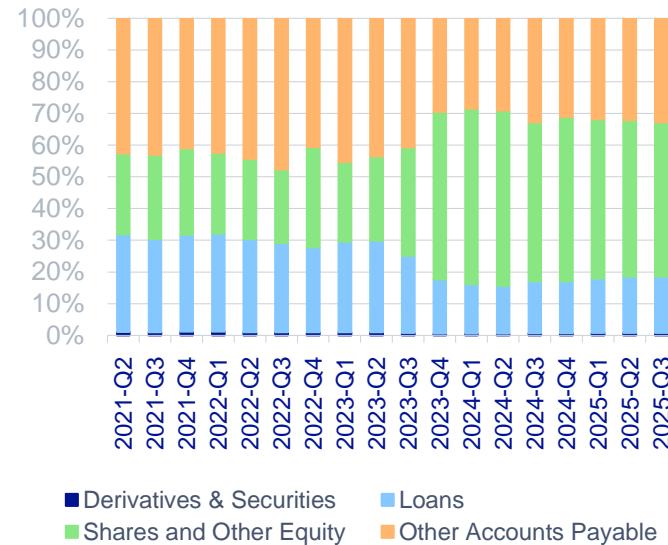


The dominant investment & funding source of corporates is shares & equities

BREAKDOWN OF CORPORATES' FINANCIAL ASSETS BY INSTRUMENTS (SHARE IN TOTAL %, 3Q25)



BREAKDOWN OF CORPORATES' FINANCIAL LIABILITIES BY INSTRUMENTS (SHARE IN TOTAL %, 3Q25)



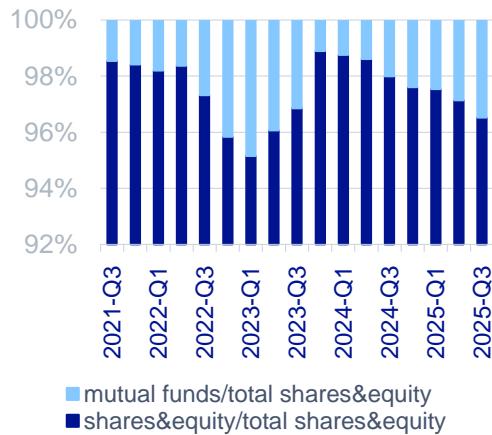
Shares & equity investments seem to have surpassed corporates' income received from commercial transactionS since 4Q23.

* Other accounts receivable and other accounts payable items are composed of corporates' commercial transactions with each other. Shares&other equity consists of shares, equity and mutual funds (mmf & non-mmf) investments

Source: CBRT Financial Accounts 3Q25, Garanti BBVA Research.

Share of mutual funds investments of corporates have been increasing since 3Q24

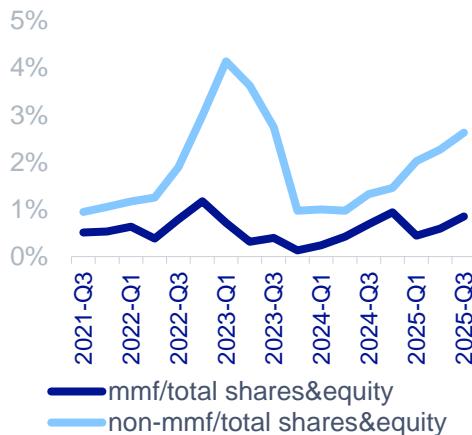
BREAKDOWN OF NON-FIN CORPORATES' ASSETS BY INSTRUMENTS (%), 3Q25



BREAKDOWN OF NON-FIN CORPORATES' ASSETS BY INSTRUMENTS (%), 3Q25



BREAKDOWN OF NON-FIN CORPORATES' ASSETS BY INSTRUMENTS (%), 3Q25

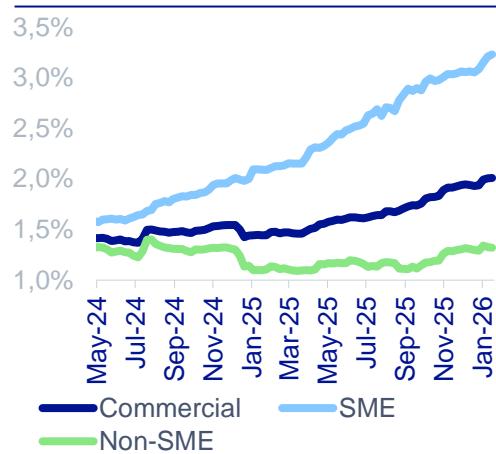


*Shares & equity consist of shares & equity and mutual funds investments of corporates. And mutual funds investments consist of MMFs and non-MMFs.
Source: CBRT Financial Accounts 3Q25, Garanti BBVA Research.

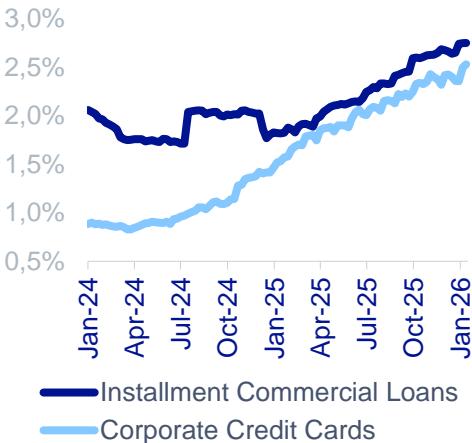
Non-MMFs of corporates continue to have a higher share compared to MMF investments

NPLs of big firms remain low whereas SME NPLs reached almost 3.5%

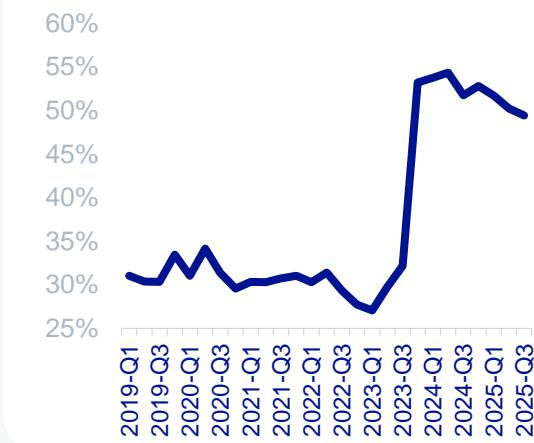
BREAKDOWN OF NPL RATIO IN COMMERCIAL CREDITS (%)



NPL REAKDOWN OF TL COMMERCIAL CREDITS (TRN TL IN LOCAL BANKS)

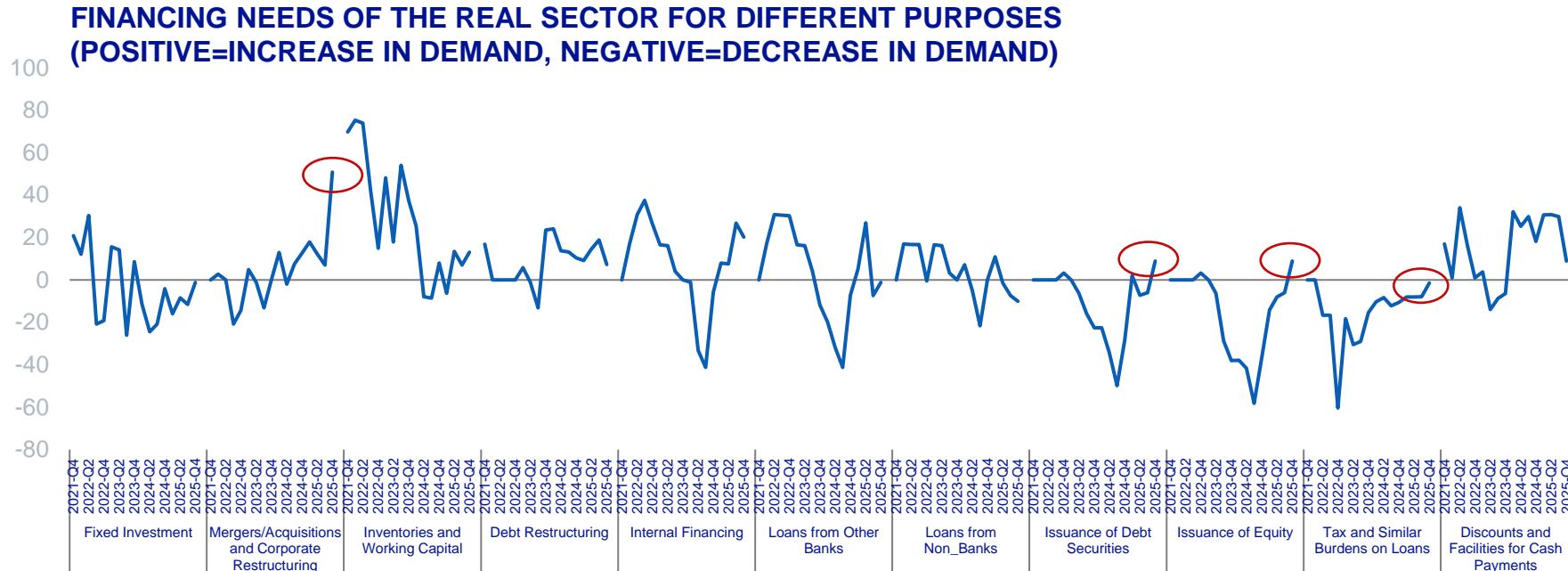


TOTAL ASSETS / TOTAL LIABILITIES OF CORPORATES (%)



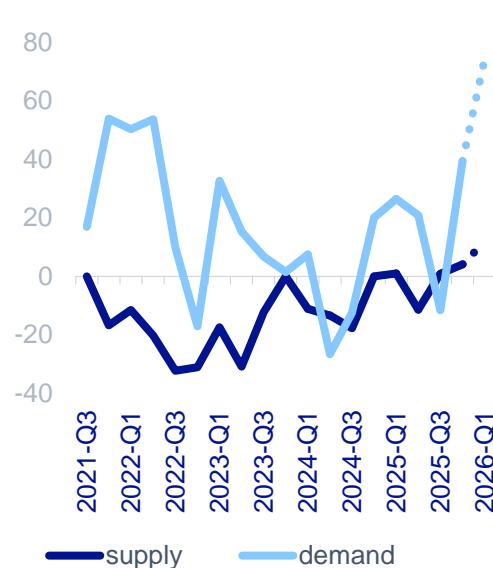
Total liquidity position continues to deteriorate, however the ratio remains to be historically high with the gap remaining also low btw the growth rates of liabilities & assets.

Corporates used their credits mainly for their corporate restructuring purposes in 4Q25

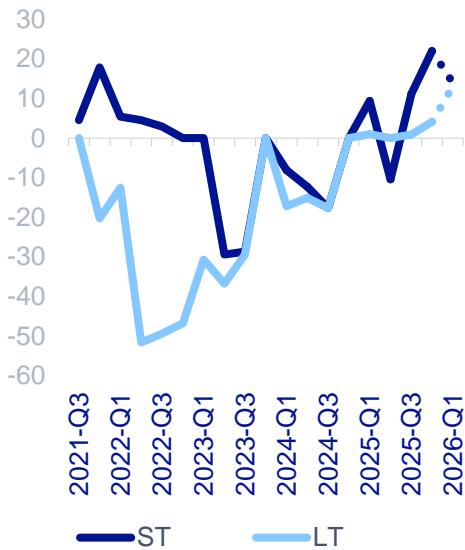


Supply conditions for total commercial credits are also expected to improve rather for LT maturities in 1Q26

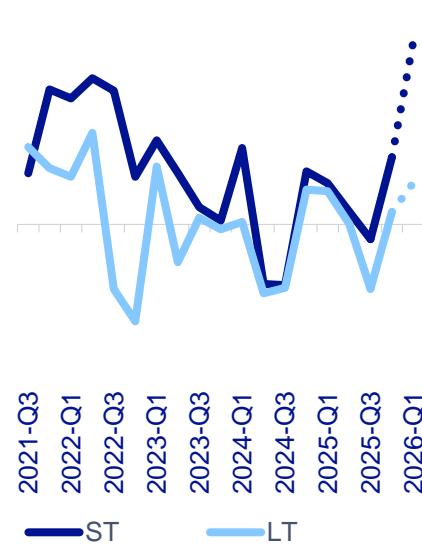
CREDIT CONDITIONS: COMMERCIAL



COMMERCIAL CREDIT SUPPLY CONDITIONS ON MATURITY BASIS

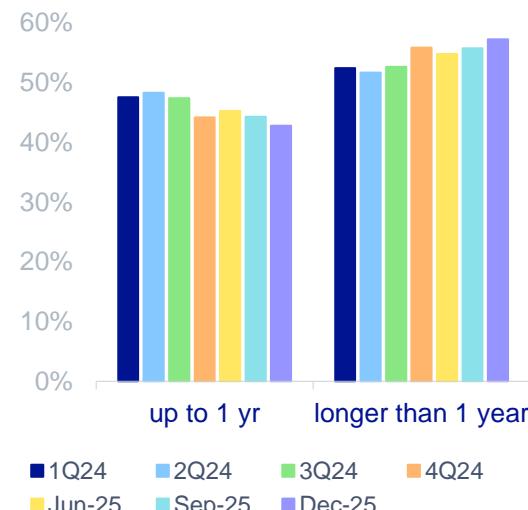


COMMERCIAL CREDIT DEMAND CONDITIONS ON MATURITY BASIS

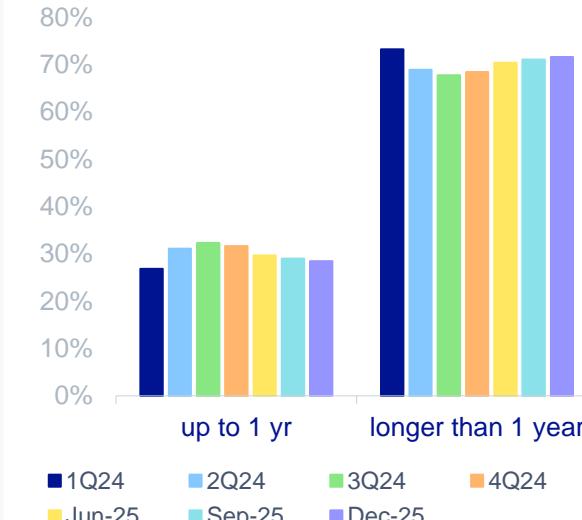


Maturities in TL commercial credits rise since 2Q25, but no significant change in FC credits' maturities yet

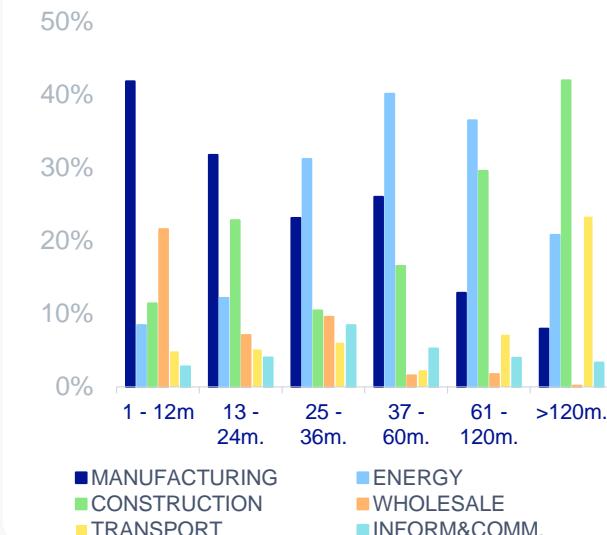
MATURITY COMPOSITION OF TL COMMERCIAL CREDITS



MATURITY COMPOSITION OF FC COMMERCIAL CREDITS



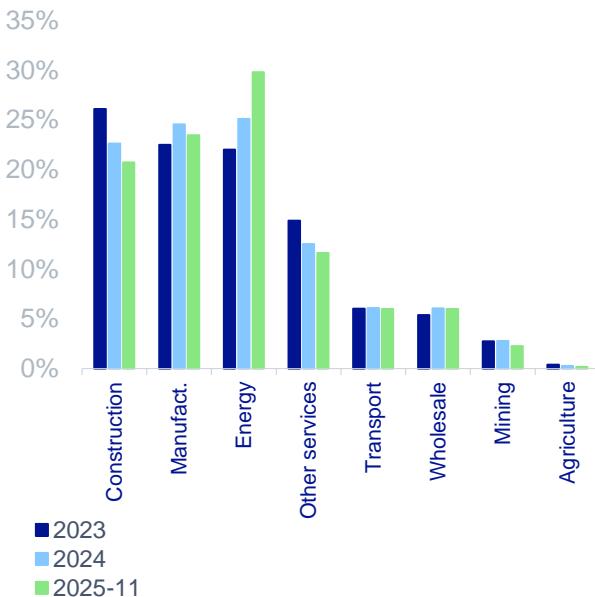
MATURITY COMP. OF EXTERNAL CREDITS OF PRIVATE SECTOR



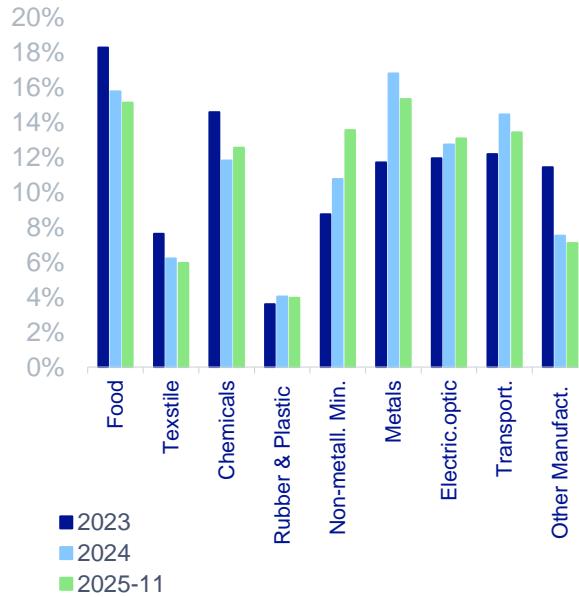
Higher share of total FC credits are LT. Among sectors of external FC credits, ST external FC credits are concentrated mainly in manufacturing.

Among main sectorial composition, higher share of FC loans have been allocated to energy credits

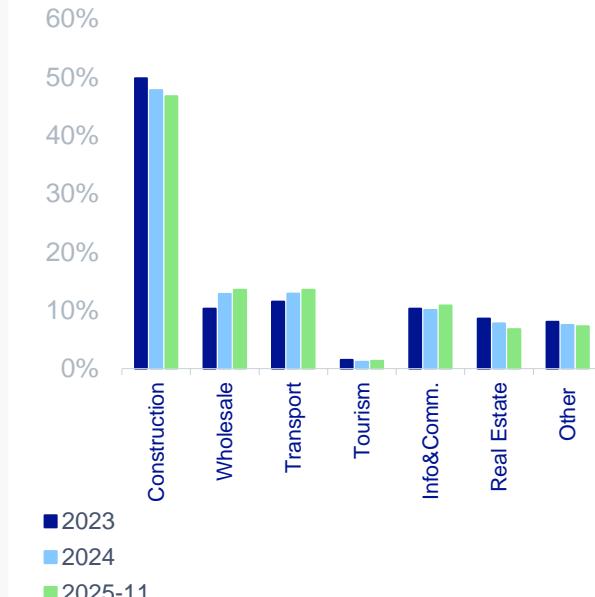
SECTORAL COMPOSITION OF LONG TERM EXTERNAL LOANS BY PRIVATE NON-FIN. SECTOR



SUB-SECTORAL COMPOSITION OF LT MANUFACTURING EXTERNAL LOANS RECEIVED BY PRIVATE NON-FIN. SECTOR*



SUB-SECTORAL COMPOSITION OF LT EXTERNAL SERVICES LOANS BY PRIVATE NON-FIN. SECTOR **



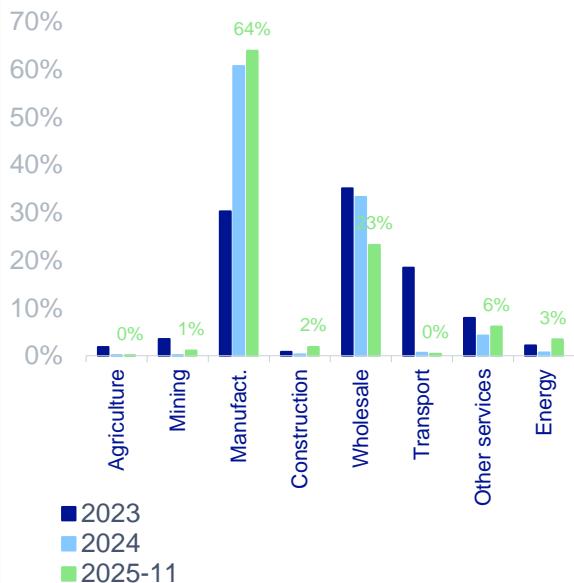
* Other includes: Leather, Paper, Wood, Machinery, coke&petrol.. and other manufacturing.

** Other includes: administr. services, education, art, scient. Act., activ. of hholds and org. and other services.

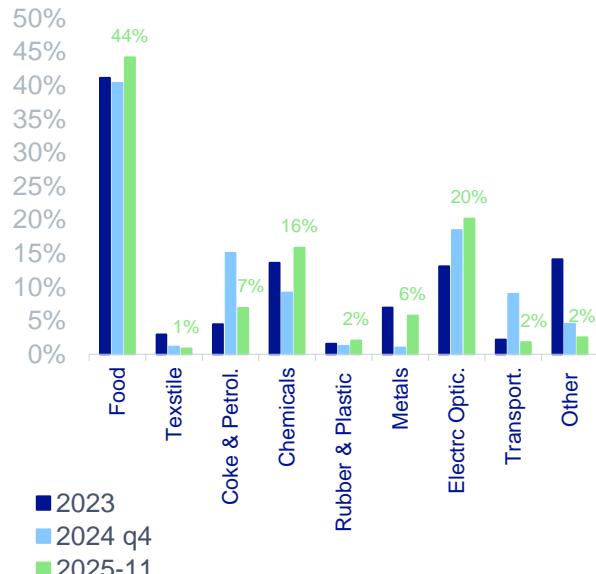
Source: CBRT, Garanti BBVA Research

ST external loans taken by food manufacturing companies constitute the highest share

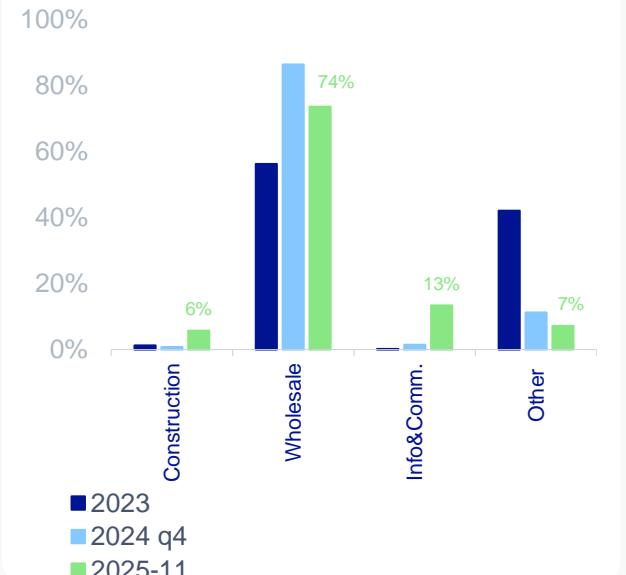
SECTORAL COMPOSITION OF ST EXT.
LOANS BY PRIVATE NON-FIN. SECTOR



SECTORAL COMPOSITION OF ST
MANUFACTURING EXTERNAL LOANS BY
PRIVATE NON-FIN.SECTOR*



SUB-SECTORAL COMPOSITION OF SERVICES
SECTOR EXTERNAL LOANS BY PRIVATE NON-
FIN.SECTOR**

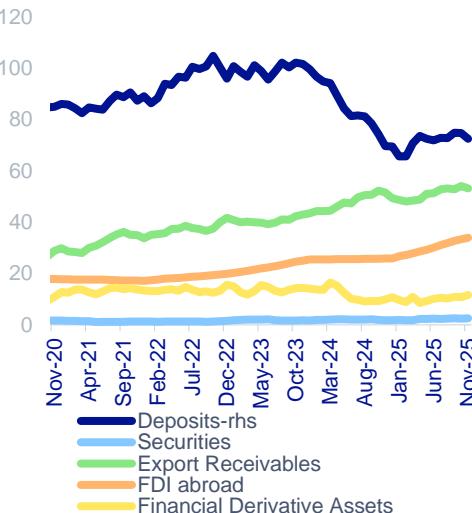


* Other includes: Leather, Paper, Wood, Machinery, non-metalli min. and other manufacturing.

** Other includes: administr. services, education, art, transport, tourism, real estate, scient. act., activ. ff hholds and org., and other services.

Falling FC deposits and export receivables led to further deterioration in ST FC liquidity position of corporates

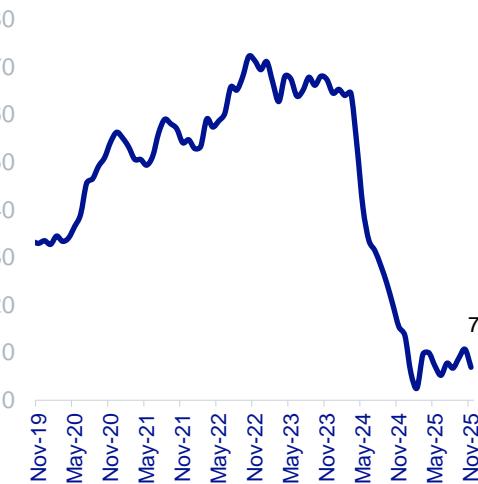
FC ASSETS OF CORPORATES (BN USD)



FC LIQUIDITY OF CORPORATES (%)



ST NET FX POSITION OF THE CORPORATE SECTOR (BN USD)

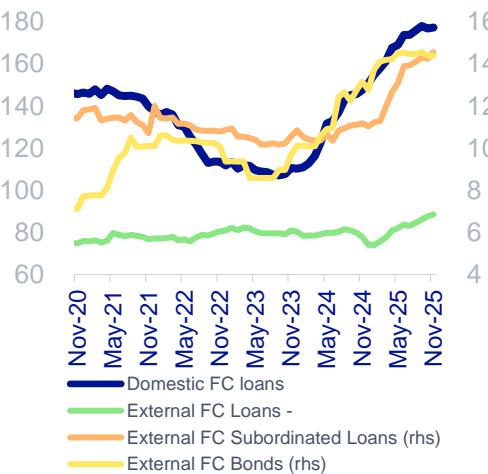


Source: CBRT and Garanti BBVA Research.

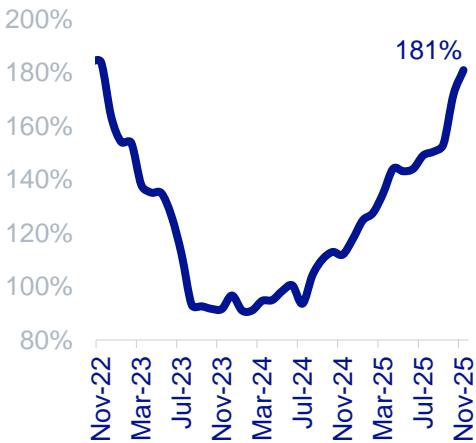
After having improved btw Aug25 and Oct25, the short-term net FX position deteriorated again in Nov25 to \$6.9bn.

Albeit staying lower in amounts, ext. FC loan growth is higher than domestic FC loan growth since Aug25

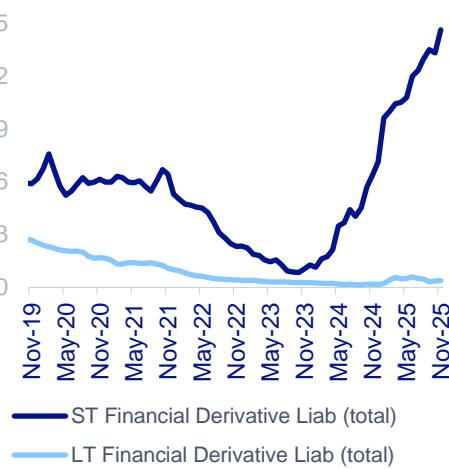
FC LOAN COMPOSITION* OF THE CORPORATE SECTOR (BN USD)



LT EXTERNAL LOANS ROLL-OVER RATIO OF REAL SECTOR (12 MONTH ROLLING, %)



FC FINANCIAL DERIVATIVES OF CORPORATES (BN USD)



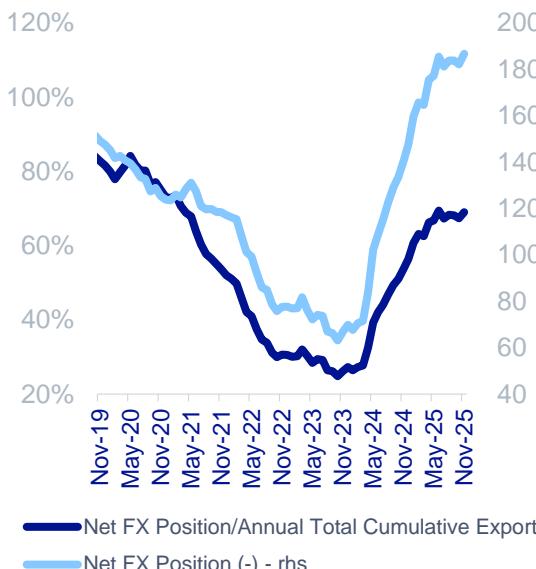
Source: CBRT and Garanti BBVA Research.

*Details of FC loan composition are obtained from "Outstanding Loans Received from Abroad by the Private Sector" statistics of the CBRT. ST external trade credits are not included due to data availability.

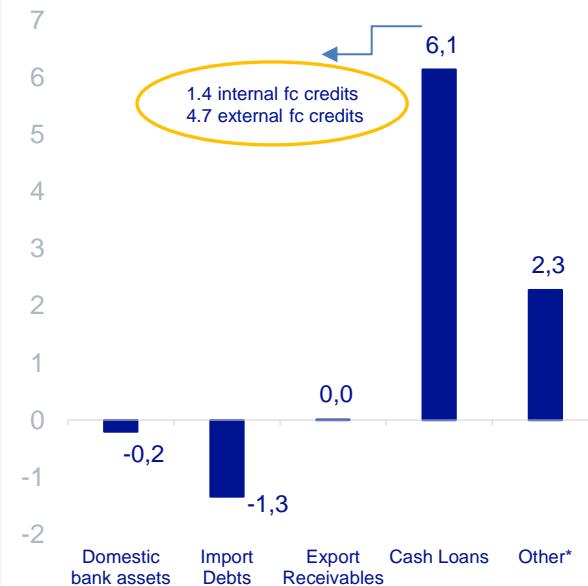
High external roll-over ratios continue to be supported by the increase in subordinated loans obtained from abroad.

External FC credits (LT) are the main factor behind the worsening in overall net FC position in Nov25

NET FX POSITION/ANNUAL CUMULATIVE EXPORTS & NET FX POSITION
(RATIO & \$USbn)



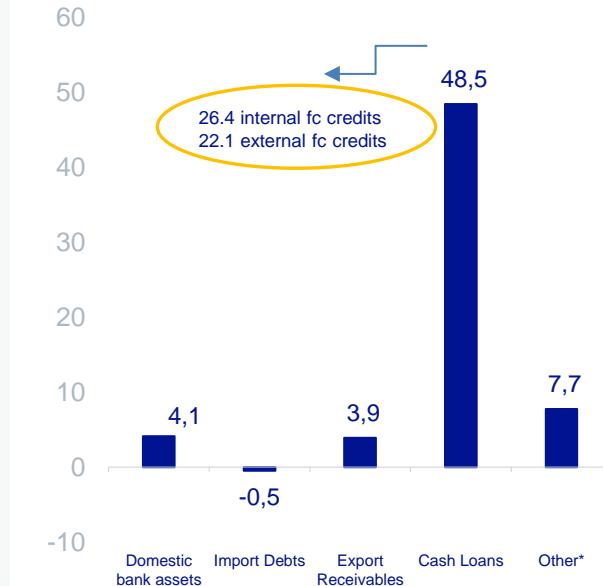
FACTORS BEHIND WORSENING IN NET FX POSITION**
(\$USbn, CHANGE AS OF NOV25 WRT AUG25)



Source: CBRT and Garanti BBVA Research.

**Internal FC credit is further restricted so that the 8-week growth limit for foreign currency loans has been reduced to 0.5% from 1%, as of Feb26.

FACTORS BEHIND WORSENING IN NET FX POSITION
(\$USbn, CHANGE AS OF NOV25 WRT DEC24)



* The change in the "other" item covers the change in assets (deposits) with banks abroad, securities and direct capital investments made abroad.

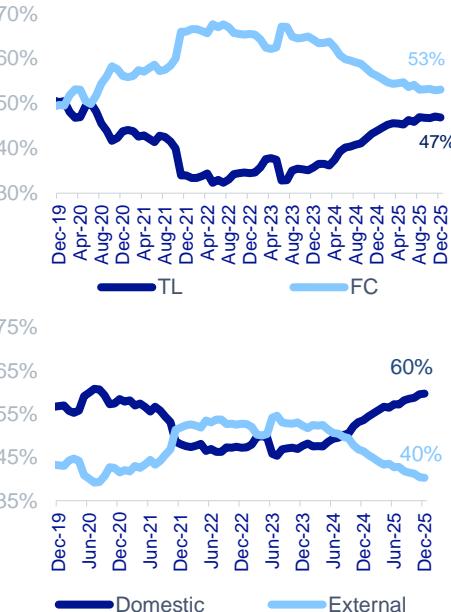
Domestic bank assets = deposits of the real sector held in domestic banks

03.

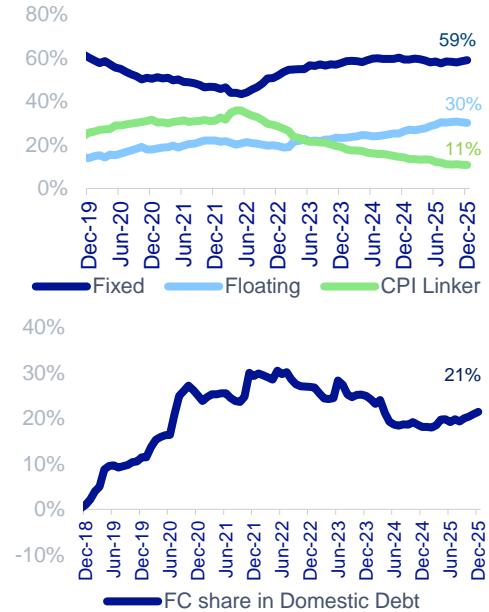
Public Sector Indebtedness

On fiscal front, FC share in domestic debt started to move up again, led by strengthening gold prices

PUBLIC DEBT DECOMPOSITION (SHARE IN TOTAL)



DOMESTIC DEBT DECOMPOSITION (SHARE IN TOTAL)

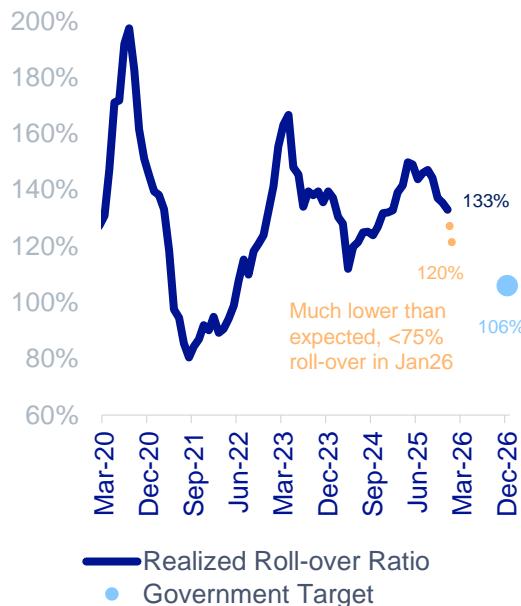


PUBLIC DEBT AVERAGE MATURITY (YEAR)

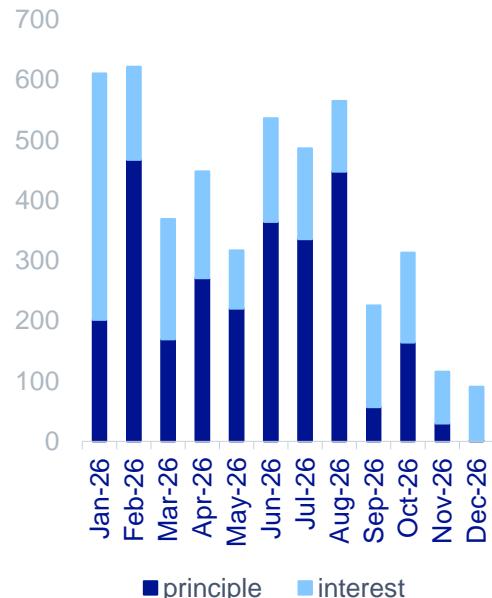


Highest TL debt redemptions are in Jan and Feb of 2026, also fueled by high interest payments

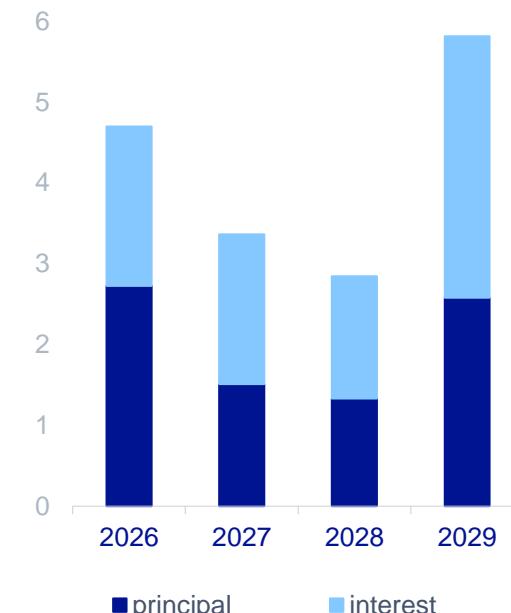
DOMESTIC DEBT ROLL-OVER RATIOS (12M ROLLING, %)



DOMESTIC DEBT REDEMPTION CALENDAR (BN TL)



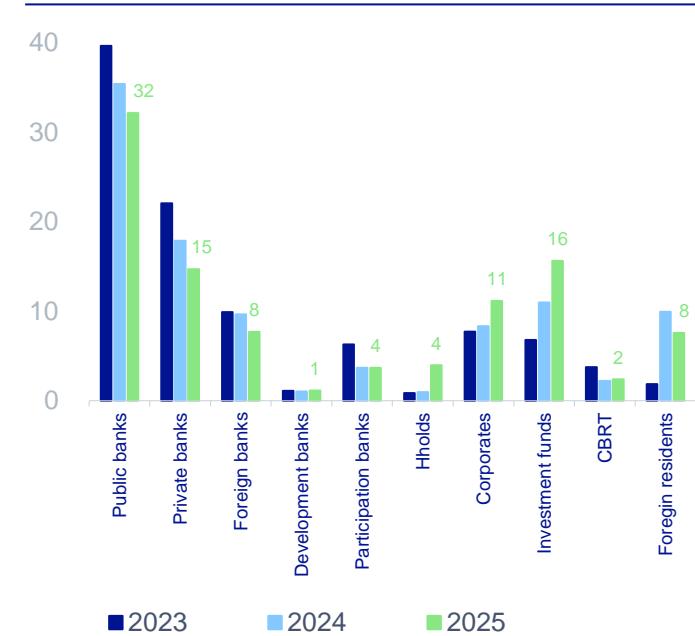
DOMESTIC DEBT REDEMPTION CALENDAR (TRILLION TL)



The share of households in domestic debt rose from 1% in 2023 to 4% in 2025

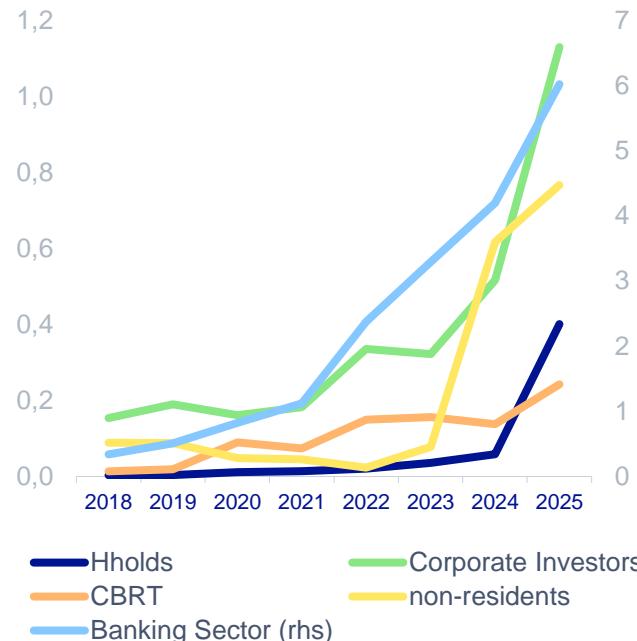
DOMESTIC PUBLIC DEBT BY OWNERS

% SHARES IN TOTAL



DOMESTIC PUBLIC DEBT BY OWNERS

Trillion TL

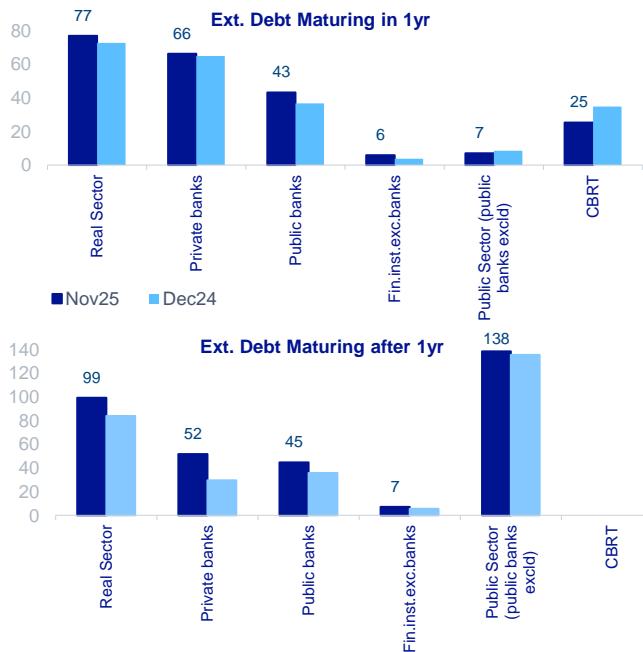


04.

Türkiye's External Debt Stock

After a decline in 2Q25, external debt maturing within 1 yr of the banking sector rose in 4Q25

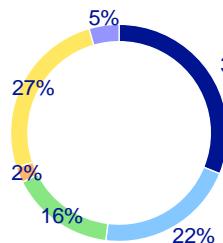
EXTERNAL DEBT BY MATURITY (BN USD, NOV25 & DEC24)



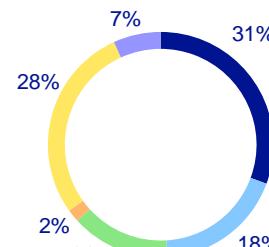
Source: CBRT and Garanti BBVA Research.

SHARE OF AGENTS IN TOTAL EXTERNAL DEBT (%) (NOV25 & DEC24 & DEC18)

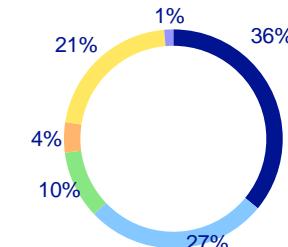
NOVEMBER 25



DECEMBER 24



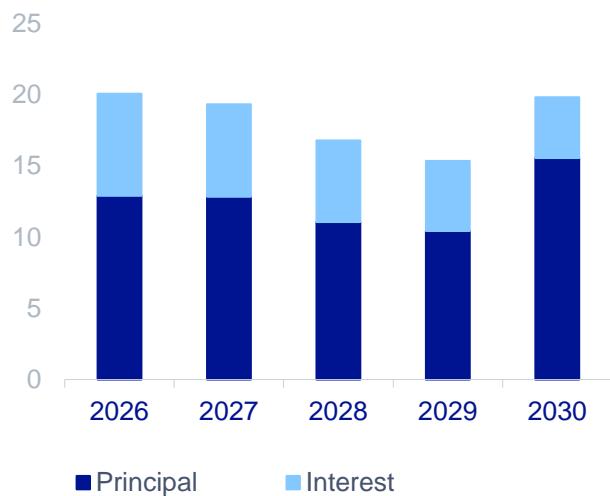
DECEMBER 18



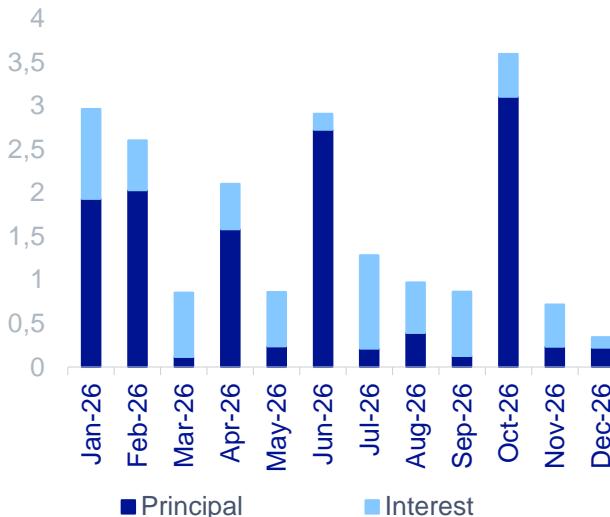
- Real sector
- Public banks
- Public Sector (public banks excluded)
- Private banks
- Nom-bank financial institutions
- CBRT

Jan, Jun and Oct are the months with the highest external debt redemptions of the Government in 2026

EXTERNAL DEBT REDEMPTIONS OF THE CENTRAL GOVERNMENT (BN USD)

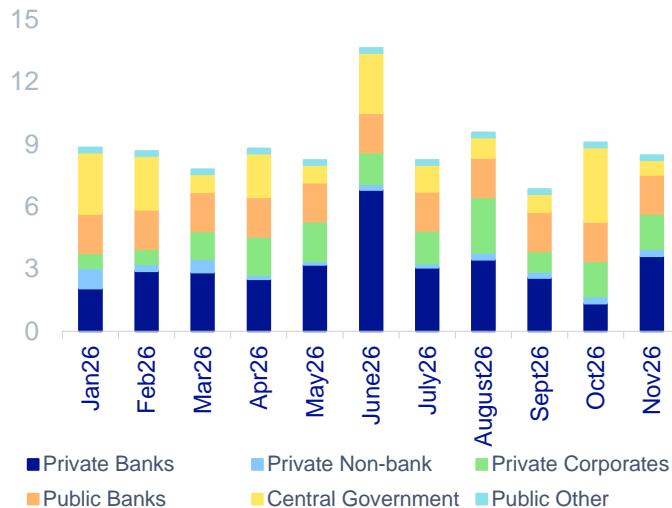


EXTERNAL DEBT REDEMPTIONS OF THE CENTRAL GOVERNMENT (BN USD)



Highest external debt redemption of the private sector will be Jun26 (\$8.6bn, banks) and Aug26 (\$6.5bn)

EXTERNAL LOANS BY PRIVATE SECTOR ON A REMAINING MATURITY BASIS FOR THE NEXT 12 MONTHS (BN USD, AS OF NOV 2025)



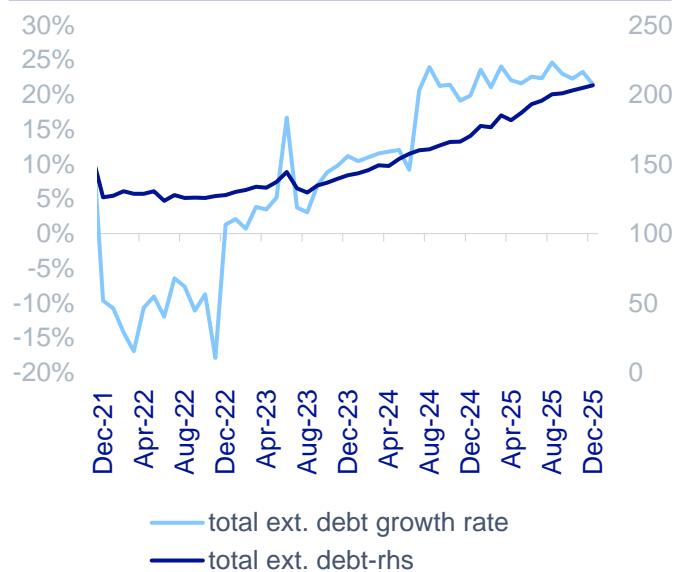
LT EXTERNAL LOANS ROLL-OVER RATIO OF BANKS & REAL SECTOR (12 MONTH ROLLING, %)



External credits and security issuances continue to increase their share in banks' wholesale funding

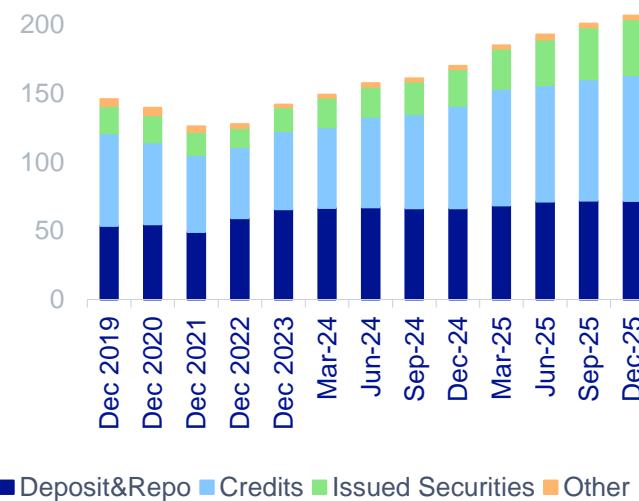
BANKS' TOTAL EXTERNAL DEBT

(% AND BN USD)



BANKS' TOTAL EXTERNAL DEBT

(BN USD)

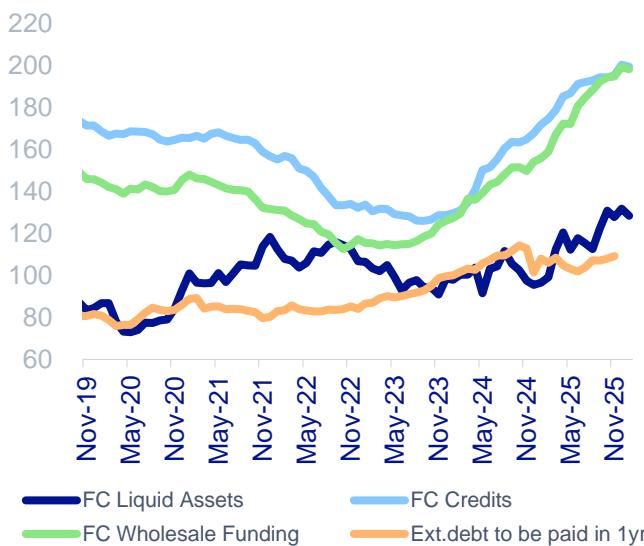


However, longer-term subdebt issuances of banks in 1H25 decelerated in 4Q25.

Highest share in FC liquid assets of banks remains FC RRs with 48%

BANKS' FC ASSETS & FC LIABILITIES

(BN USD)



BANKS' FC LIQUID ASSETS &

ST EXTERNAL DEBT (BN USD, NOV25)

135

120

105

90

75

60

45

30

15

0

24

7,3

60,7

35,7

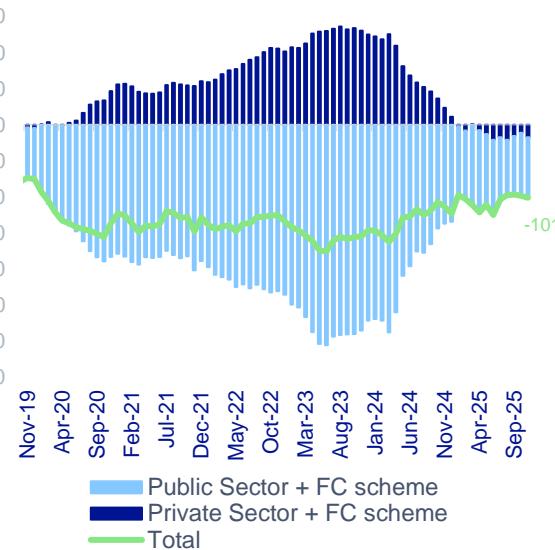
112

- FX Receivables from FI abroad
- FX Cash
- FX Required Reserves
- FX Receivables from CBRT

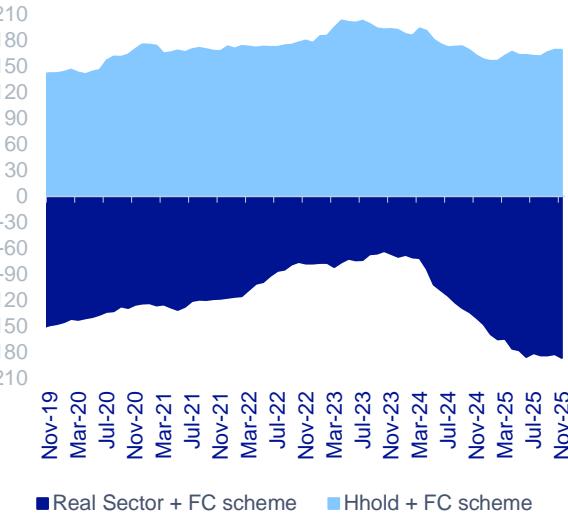
Ext debt due in 1yr

Total net FX position* deteriorated in Nov25 due to private sector's extending net short FX position

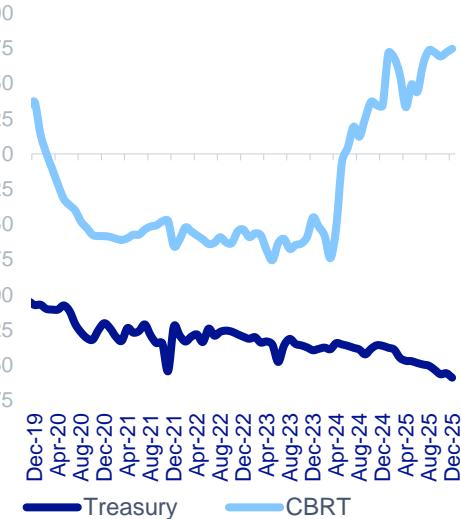
TOTAL FINANCIAL NET FX POSITION* OF TURKIYE (BN USD)



NET FX POSITION OF PRIVATE SECTOR EXC. BANKS (bnUSD)



NET FX POSITION OF PUBLIC SECTOR (bn USD)



* Mutual funds are not included in assets calculation of households and corporates due to overlap problems.

Disclaimer

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Any estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website www.bbvareresearch.com.

