

**REPUBLIC OF TÜRKİYE
MINISTRY OF TREASURY AND FINANCE**

October 31st, 2025

PRESS RELEASE

**TREASURY FINANCING PROGRAM:
2025 DEVELOPMENTS AND 2026 PROJECTIONS**

Medium Term Program (2026–2028) was published on September 7, 2025, and the Central Government Budget was submitted to the Grand National Assembly of Türkiye on October 16, 2025.

Treasury Financing Program for 2026 has been prepared based on the Medium Term Program and Central Government Budget projections.

I – Financing Program

Public debt management is conducted based on the principles that ensure a sustainable, transparent, and accountable borrowing policy aligned with monetary and fiscal policies, considering macroeconomic balances. The main aim is to meet financing needs at the lowest possible cost over the medium and long term, while considering the risk level determined through assessments of domestic and external market conditions and cost factors.

Treasury Financing Programs are prepared within the framework of the medium and long-term strategic benchmark policies based on the aforementioned principles and are regularly announced to the public.

These benchmarks, implemented since 2003, have strengthened the composition of debt stock and significantly reduced its sensitivity to macroeconomic risks, thereby enabling a sustainable borrowing structure.

a) Domestic Financing Developments in 2025

In 2025, the implementation of the public debt management policy anchored in strategic benchmarks continued, thereby preserving the robust framework for public debt management. While maintaining the medium and long-term borrowing strategy, a proactive borrowing approach was adopted to mitigate the lasting cost impact of temporary market fluctuations on the debt stock. Accordingly, the borrowing composition evolved as follows during January–October 2025:

- The average maturity of domestic cash borrowing realized as 33.9 months.
- The average cost of fixed-rate TL-denominated domestic borrowing was 39.4 percent, and the average cost of domestic cash borrowing realized as 39.0 percent.
- The share of fixed-rate TL-denominated securities in domestic borrowing was realized as 47.8 percent.
- To broaden the investor base and diversify borrowing instruments, the issuances of securities other than those denominated in TL have continued. In this context, during the January–October period;
 - A total of TL 200.6 billion TL-denominated lease certificates were issued in the domestic market¹,
 - A total of 52.1 tons of gold equivalent securities were issued, comprising 16 tons in gold bonds and 36.1 tons in gold lease certificates²,
 - USD 11.6 billion of FX-denominated domestic debt securities were issued,
 - In addition, to support to the development of the participation finance ecosystem, the first issuance of lease certificates indexed to the Turkish Lira Overnight Participation Reference Rate (TLREFK) was conducted in September 2025, with a total sales volume of TRY 80.1 billion in the initial offering.

¹ It indicates total volume of TL-denominated lease certificates issued, including lease certificates indexed to TLREFK.

² The gold reserves corresponding to the gold-denominated domestic borrowings carried out in 2025 are held in Treasury accounts and a similar policy is expected to be maintained in 2026.

b) External Financing Developments in 2025

In 2025, the monetary policy decisions of central banks in advanced economies and ongoing geopolitical developments have continued to be the main factors influencing the global economic outlook. The increasing financing needs of countries and relatively favorable market conditions have led to higher volumes of bond issuances in international capital markets by emerging economies, compared to recent years. In this context,

- The 2025 external financing target of USD 11 billion was exceeded as a result of favorable market conditions and optimal timing, thus a total of USD 13 billion raised from international capital markets.
- In February and May 2025, two bond issuances each with a maturity of seven years were carried out, amounting to USD 2.5 billion and USD 2 billion, respectively.
- In July, a USD 2.5 billion sukuk (lease certificate) issuance and a EUR 1.5 billion bond issuance were conducted.
- In September, a USD 2 billion bond with a 2035 maturity was issued.
- Most recently, a USD 2.25 billion bond maturing in 2036 was issued at the end of October, with a settlement date of November 4. With this transaction, the total financing raised from international capital markets in 2025 reached USD 13 billion, through six separate borrowing operations.
- In 2025, the improvement in the risk premium, supported in part by Moody's upgrade of the sovereign credit rating, along with strong investor demand for all bond issuances throughout the year and the gradual decline in spreads were among the notable positive developments.
- Within the scope of investor relations, a large number of meetings were held with international investors, financial institutions and credit rating agencies during the January–October 2025 period regarding the developments in the Turkish economy, local and global capital markets; successfully reaching a diverse range of investor profiles.

c) 2025 and 2026 Treasury Financing Program Projections

Estimated year-end realization for 2025 and the 2026 Financing Program are presented below.

TREASURY FINANCING PROGRAM ⁽¹⁾		(Billion TL)		
		2025 (Program)	2025 (Year End Estimate)	2026 (Program)
I-TOTAL DEBT SERVICE		3,241.9	3,365.4	5,990.0
Principal		1,373.2	1,407.8	3,289.7
Interest		1,868.7	1,957.6	2,700.3
Domestic Debt Service		2,385.0	2,566.3	5,042.2
Principal		822.5	886.9	2,699.7
Interest		1,562.5	1,679.4	2,342.6
External Debt Service		856.9	799.2	947.8
Principal		550.7	521.0	590.0
Interest		306.3	278.2	357.8
II-FINANCING		3,241.9	3,365.4	5,990.0
Non-Borrowing Resources ⁽²⁾		-62.9	-549.1	40.4
Total Borrowing		3,304.8	3,914.5	5,949.6
External Borrowing ⁽³⁾		459.4	515.4	605.3
Domestic Borrowing		2,845.5	3,399.1	5,344.3

⁽¹⁾ Cash based.

⁽²⁾ The cash primary balance, privatization revenues, the revenues from 2-B land sales, receipts from SDIF, receipts from on lending and guaranteed debt, use of cash account and FX changes are included.

⁽³⁾ The amounts (external borrowing) are subject to change depending on borrowing from international institutions or international markets in 2025 and 2026.

In 2026 Financing Program, the debt service and related financing policy are as follows:

- In 2026, total debt service is projected at TL 5,990.0 billion, comprising the payments of TL 3,289.7 billion in principal and TL 2,700.3 billion in interest. Total domestic debt service is expected to amount to TL 5,042.2 billion while total external debt service is expected to amount to TL 947.8 billion.

- The total domestic debt service consists of TL 4,717.9 billion in payments to the market and TL 324.3 billion in payments on non-competitive sales to public institutions (Appendix 1).
- The total non-borrowing resources, including the cash primary surplus, privatization revenues, the revenues from 2-B land sales, The Savings Deposit Insurance Fund transfers, receipts from on-lent and guaranteed debt and the use of the cash account, amount to TL 40.4 billion.
- Treasury plans to raise external financing equivalent to USD 13 billion in 2026 through bond and lease certificate issuances in international capital markets.
- In light of these projections, the total domestic borrowing is planned at TL 5,344.3 billion in 2026.

II – 2026 Borrowing Strategy

By implementing strategic benchmarking policy since 2003, the ratio of the EU-defined general government debt stock to GDP, which was 71.2 percent at the end of 2002, decreased to 24.1 percent³ as of the second quarter of 2025 and the sensitivity of Treasury's debt portfolio to the foreign exchange, interest rate and liquidity risks has been significantly reduced. In this regard, the effects of the changes in foreign exchange rates, interest rates and growth rates on EU defined general government debt stock to GDP ratio are summarized below:

	2002	2024
Change in real exchange rate app/dep by 5 percentage points	+ / - 2.0 Points	+ / - 0.6 Points
Change in TL interest rate by 500bps	+ / - 1.4 Points	+ / - 0.6 Points
Change in GDP growth rate by 2 percentage points	+ / - 1.3 Points	+ / - 0.5 Points

The main pillars of strategic benchmarks for 2026 are as follows:

- To borrow mainly in TL,
- To borrow in foreign currencies besides US dollar, if possible, in international markets for market diversification,
- To keep the share of debt maturing within 12 months and the share of debt stock with interest rate refixing period of less than 12 months at a certain level, by taking into account appropriate instrument and maturity composition to optimize interest payments,
- To keep a strong level of cash reserve in order to reduce the liquidity risk associated with cash and debt management.

³ According to the EU Defined General Government Debt Stock statistics announced on 30.09.2025

In 2026, the domestic borrowing transactions will be carried out in accordance with the issuance plan outlined below:

- In line with market conditions, TL denominated fixed rate coupon “benchmark bonds” are planned to be issued on a regular basis.
- Depending on the redemption profile and market conditions, Treasury will continue to issue TL denominated Treasury Bills / Government Bonds and lease certificates, FX-denominated bonds/ lease certificates and gold bonds/ gold lease certificates. Additional demands from market participants may also be considered.
- Short-term Treasury Bills and financing instruments specified in the “Regulation on the Treasury Financing through Money Market Cash Operations” may be used to smooth temporary cash flow fluctuations.
- Depending on market conditions and cash management policy, switch and buy-back auctions may be conducted to maintain a balanced debt redemption profile and enhance price efficiency in secondary market.
- Auction details will be announced at least one business day prior to the auctions.

In 2026, external borrowing transactions will be carried out within the framework of the issuance plan below:

- In order to raise funding from international capital markets; conventional bonds, lease certificates, green bonds, social bonds and/or sustainable bonds may be issued in varying maturities, subject to favorable market conditions.
- For diversification purposes, international borrowing operations in foreign currencies other than the USD may also be conducted, should market circumstances allow.
- Regular communication with international investment banks, credit rating agencies and international investors will continue, in order to strengthen investor relations and improve investor perception.

Appendices:

App.-1: 2026 Debt Service Distribution by Lenders

App.-2: Currency and Interest Rate Composition of 2026 Debt Service

APPENDIX - 1: 2026 DEBT SERVICE DISTRIBUTION BY LENDERS ⁽¹⁾

			(Billion TL)
	Principal	Interest	Total
I) Domestic Debt Service	2,699.7	2,342.6	5,042.2
Market	2,568.8	2,149.1	4,717.9
Public (Non-competitive sales) ⁽²⁾	130.9	193.4	324.3
II) External Debt Service	590.0	357.8	947.8
Eurobond	484.6	322.0	806.6
Other	105.4	35.8	141.2
III) Total Debt Service	3,289.7	2,700.3	5,990.0

⁽¹⁾ Program

⁽²⁾ Based on lenders on primary market.

APPENDIX - 2: CURRENCY AND INTEREST RATE COMPOSITION OF 2026 DEBT SERVICE ⁽¹⁾

			(Billion TL)
	TL Denominated ⁽²⁾	FX / Gold Denom. ^{(2) (3)}	Total
I) Domestic Debt Service	3,396.4	1,645.8	5,042.2
Fixed	2,160.8	678.6	2,839.4
Floating	1,235.6	967.2	2,202.8
II) External Debt Service	-	947.8	947.8
Fixed	-	852.9	852.9
Floating	-	94.9	94.9
III) Total Debt Service	3,396.4	2,593.6	5,990.0
Fixed	2,160.8	1,531.5	3,692.3
Floating	1,235.6	1,062.1	2,297.7

⁽¹⁾ Program

⁽²⁾ Principle and interest/lease payments of Gold bonds and gold denominated lease certificates are included under "FX/ Gold denominated - Floating" and "TL denominated - Floating" respectively.

⁽³⁾ Principle and interest/lease payments of FX denominated bonds and lease certificates are included under "FX/ Gold denominated - Fixed".